

MEMORANDUM

TO: MUNICIPAL MANAGER
THE EXECUTIVE MAYOR

FROM: MANAGER SCM

RE: Quarterly SCM Implementation Report 2016/17
3rd Quarter

REF.: 5/27

DATE: 4 APRIL 2017

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 January 2017 – 31 March 2017, 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.

Amendment of Supply Chain Management Policy

In terms of paragraph 4.3 of the Policy, the Head of the SCMU must review the SCM P²OS and submit such to the CFO for consultation with the AO and submission to the Council for adoption.

The SCM Policy was approved in 2016 and amended during the 2016/17 financial year contained and addressed the elements of the SCM Regulations and recommendations made during the 2015/16 financial year audit. As part of the annual budget policy review, the 2017/18 SCM Policy was submitted to Council for consideration and approval on 31 March 2017.

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 3rd quarter of the 2016/17 financial year:

| Bid Specification Committee | Bid Evaluation Committee | Bid Adjudication Committee |
|-----------------------------|--------------------------|----------------------------|
| 8 | 9 | 6 |

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) | 83.33% |
| N Kotze (Director: Technical Services) | 0% |
| S Cooper (Manager: Electro-Mechanical Services) | 83.33% |
| K Mrali (Director: Community Services) | 100% |
| S Ngwevu (Director: Corporate Services) | 83.33% |

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 (3rd quarter of the 2016/17 financial year)

The following awards were made by the BAC.

| AWARDS | 1 st Quarter | | 2 nd Quarter | | 3 rd Quarter | | Year to Date | |
|--|----------------------------|----------------|------------------------------|----------------|---------------------------|----------------|-----------------------------|-----------------|
| | 1 July – 30 September 2016 | | 1 October – 31 December 2016 | | 1 January – 31 March 2017 | | 1 July 2016 – 31 March 2017 | |
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Competitive Bids | 4 | R 1 136 560,28 | 8 | R 7 018 012,87 | 5 | R 3 167 582,07 | 17 | R 11 322 155,22 |
| Formal Written Quotations | 8 | R 765 036,94 | 4 | R 765 036,94 | 5 | R 288 668,28 | 17 | R 1 818 742,16 |
| Deviation In Terms Of Part 18.6.3 Of The SCMPOS | 3 | R 910 484,66 | 0 | R 0,00 | 1 | R 973 981,80 | 4 | R 1 884 466,46 |
| Sale Of Erven | 2 | R 35 000,00 | 0 | R 0,00 | 0 | R 0,00 | 2 | R 35 000,00 |
| Extentions / Amendment Of Contracts In Terms Of Part 20.14 Of The SCMPOS | 0 | R 0,00 | 4 | R 570 340,60 | 3 | R 59 724,50 | 7 | R 630 065,10 |
| Procurement In Terms Scm Regulation 32 | 0 | R 0,00 | 0 | R 0,00 | 1 | R 6 812 245,63 | 1 | R 6 812 245,63 |
| Number of Disputes, Complaints, Enquiries and Objections Received | 3 | | 0 | | 0 | | 3 | |

KWARTAAL VERSLAG IN TERME VAN SCM REGULASIE 5(4) – JANUARIE 2017 - MAART 2017 / REPORT IN TERMS OF SCM REGULATION 5(4) - JANUARY 2017 - MARCH 2017

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 NR | DATE OF AWARD | BEE CONTRIBUTION LEVEL |
|----------------------|---------------|----------------------------------|--------------------|-------------------------|---|--|--------------------|----------------|--------|---------------|---------------|------------------------|
| TENDERS | | | | | | | | | | | | |
| 1 | SCM11/2016/17 | 13031129200000 | FINANCIAL SERVICES | INCOME | PRINTING AND DISTRIBUTION OF MUNICIPAL ACCOUNTS FOR THE PERIOD ENDING 29 FEBRUARY 2020 | CAB HOLDINGS PTY LTD | 18/20 | R 399 337,40 | IN | T2/2017 | 2017-01-31 | 2 |
| 2 | SCM1/2015/16 | | FINANCIAL SERVICES | SUPPLY CHAIN MANAGEMENT | RECALL OF TENDER RESOLUTION T166/2015 OF 17 JULY 2015, ANNUAL STORES STOCK - ITEM 21 CLEANING MATERIALS : Kerosene Based Engine Cleaner - 25L | LAMB'S CHEMICAL MANUFACTURERS CC | 16/20 | TARRIFS | IN | T3/2017 | 2017-01-31 | 3 |
| 3 | SCM17/2016/17 | 51511457200071 51511457200081 | TECHNICAL SERVICES | WATER & SEWERAGE | WATER BOREHOLE DRILLING & TESTING AT NAPIER & SUIDERSTRAND | SA ROTSBORE PTY LTD | 0/10 | R 998 953,50 | IN | T20/2017 | 2017-03-27 | 0 |
| 4 | SCM16/2016/17 | 51531457400011 | TECHNICAL SERVICES | WATER & SEWERAGE | UPGRADING OF MECHANICAL AND ELECTRICAL AERATION EQUIPMENT AT BREDASDORP WWTW | VIKING PONY AFRICA PUMPS PTY LTD T/A TRICOM AFRICA | 1/10 | R 1 717 991,17 | IN | T21/2017 | 2017-03-27 | 8 |
| 5 | SCM18/2016/17 | 14572114400000 | TECHNICAL SERVICES | WATER & SEWERAGE | PROFESSIONAL SERVICES - COMPILATION OF DAM SAFETY REPORT | INGEROP PTY LTD | 18/20 | R 51 300,00 | IN | T22/2017 | 2017-03-27 | 2 |
| SALE OF ERVEN | | | | | | | | | | | | |
| 1 | | | | | | NONE | | | | | | |

| NO. | TENDER NR | VOTE NR | DEPARTMENT | DIVISION | DESCRIPTION | SUCCESSFUL TENDERER | BEE POINTS AWARDED | AMOUNT | VAT NR | RESOLUTION NR | DATE OF AWARD | BEE CONTRIBUTION LEVEL |
|---|-----------|--|--------------------|--------------------------|--|----------------------------------|--------------------|----------------|--------|---------------|---------------|------------------------|
| tender in terms of scm regulasie 32 / procurement in terms scm regulasie 32 | | | | | | | | | | | | |
| 1 | RT25/2016 | | FINANCIAL SERVICES | BUDGET & TREASURY OFFICE | THE APPOINTMENT OF SERVICE PROVIDER FOR AN INTEGRATED FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEM FOR LOCAL GOVERNMENT FOR THE PERIOD 1 AUGUST 2016 TO MAY 2019 | VESTA TECHNICAL SERVICES PTY LTD | | R 6 812 245,63 | IN | T14/2017 | 2017-03-13 | |
| 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) | | | | | | | | | | | | |
| 1 | T257/2015 | 545780061 | TECHNICAL | ROADS & STORMWATER | REGRAVELLING OF SUIDERSTRAND | CAPE AGULHAS CIVILS | | R 973 981,80 | in | T18/2017 | 2017/03/14 | |
| uitbreiding van kontrak in terme van SCMPOS Part 20.14 & mfma circular 62 / extension of contract in terms of SCMPOS Part 20.14 | | | | | | | | | | | | |
| 1 | T11/2017 | 12010120000500 | EXECUTIVE COUNCIL | COUNCIL SUPPORT | EXTENSION IN TERMS OF MFMA CIRCULAR 62 WITH 15% OF CONTRACT CATERING FOR MAYORAL GOLF DAY | SILVER SOLUTIONS 2891 CC | 20/20 | R 4 200,00 | N/A | MM | 2017-03-01 | |
| 2 | T12/2017 | 33131105000011 | EXECUTIVE COUNCIL | COUNCIL SUPPORT | EXTENSION IN TERMS OF MFMA CIRCULAR 62 WITH 15% OF CONTRACT CLOTHING FOR MAYORAL GOLF DAY | EMBROIDERY N MOR | 12/20 | R 5 524,50 | N/A | MM | 2017-03-01 | |
| 3 | T42/2016 | 13545130700000 13545120300200 13545114400000 | CORPORATE | TOWN PLANNING | EXTENSION OF CONTRACT - DEVELOPMENT OF CAPE AGULHAS SPATIAL DEVELOPMENT FRAMEWORK TO MAKE IT COMPLIANT TO SPLUMA | JSA ARCHITECTS & URBAN PLANNERS | | R 50 000,00 | IN | T17/2017 | 2017/04/14 | |

| NO. | TENDER NR | VOTE NR | DEPARTMENT | DIVISION | DESCRIPTION | SUCCESSFUL TENDERER | BEE POINTS AWARDED | AMOUNT | VAT NR | RESOLUTION NR | DATE OF AWARD | BEE CONTRIBUTION LEVEL |
|---|-------------|----------------|--------------------|-----------------|---|----------------------------|--------------------|--------------|--------|---------------|---------------|------------------------|
| FORMEEL GESKREWE KWOTASIES / FORMAL WRITTEN QUOTATIONS | | | | | | | | | | | | |
| 1 | Q17/2016/17 | 14576114400000 | TECHNICAL SERVICES | SOLID WASTE | PROFESSIONAL SERVICES: EXTERNAL AUDIT OF LANDFILLS AND ANNUAL REPORT | NCC ENVIRONMENTAL SERVICES | 12/20 | R 34 200,00 | IN | T5/2017 | 2017-02-17 | 4 |
| 2 | Q15/2016/17 | 52511457200031 | TECHNICAL SERVICES | WATER QUALITY | SUPPLY & INSTALLATION OF NEW MEMBRANES AT SPANJAARDSKLOOF WATER TREATMENT WORKS | IKUSASA CHEMICALS PTY LTD | 18/20 | R 144 050,40 | IN | T6/2017 | 2017-02-17 | 2 |
| 3 | Q17/2016/17 | 51511457200051 | TECHNICAL SERVICES | WATER QUALITY | INSTALLATION OF WATER DISINFECTION SYSTEM L'AGULHAS | MAXAL PROJECTS PTY LTD | 0/20 | R 45 387,88 | IN | T9/2017 | 2017-02-17 | 0 |
| 4 | Q19/2016/17 | 12010120000500 | EXECUTIVE COUNCIL | COUNCIL SUPPORT | CATERING FOR MAYORAL GOLF DAY | SILVER SOLUTIONS 2891 CC | 20/20 | R 28 200,00 | IN | T11/2017 | 2017-02-17 | 1 |
| 5 | Q18/2016/17 | 33131105000011 | EXECUTIVE COUNCIL | COUNCIL SUPPORT | CLOTHING FOR MAYORAL GOLF DAY | EMBROIDERY N MOR | 12/20 | R 36 830,00 | IN | T12/2017 | 2017-02-17 | 4 |

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 3rd quarter of the 2016/17 financial year:

| Number of deviations | Value of deviations |
|---|---------------------|
| Deviations for amounts below R30 000: | |
| 22 | R181 604.38 |
| Deviations for amounts above R30 000: | |
| 5 | R196 802.84 |
| Deviations for amounts above R200 000: | |
| 0 | R0 |

Table 6.: Summary of deviations for 3rd 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 July 2016 - 30 June 2017 | |
| 36 (1) (a) (i): Emergency | R 44 949,72 |
| 36 (1) (a) (ii): Sole Provider | R 125 709,36 |
| 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 248 693,84 |
| | R 419 352,92 |
| Deviations above R30 000 1 July 2016 - 30 June 2017 | |
| 36 (1) (a) (i): Emergency | R 65 643,84 |
| 36 (1) (a) (ii): Sole Provider | R 105 267,60 |
| 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 157 030,25 |
| | R 327 941,69 |
| Deviations above R200 000 1 July 2016 - 30 June 2017 | |
| 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 |
| ABOVE R200 000 | R 624 408,37 |
| TOTAL AMOUNT OF DEVIATIONS APPROVED | R 1 371 702,98 |
| TOTAL SUMMARISED DEVIATIONS: 1 JULY 2016 - 30 JUNE 2017 | |
| 36 (1) (a) (i): Emergency | R 110 593,56 |
| 36 (1) (a) (ii): Sole Provider | R 456 981,96 |
| 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 804 127,46 |
| TOTAL | R 1 371 702,98 |

Table 7.: Breakdown of deviations – year to date

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 3rd 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 |
|---------------------|---|--|---------------------------|------------------|------------------------|-----------------------------|--------------------|------------------------|
| T11/2017 | CATERING FOR MAYORAL GOLF DAY. Q19-2016-17. | SILVER SOLUTIONS 2981 CC | Level 1 | Price Quotations | R 28 200,00 | R 28 200,00 | - | R 32 400,00 |
| T12/2017 | CLOTHING FOR MAYORAL GOLF DAY. Q18-2016-17 | JE PHILLIPS T/A EMBROIDERY-N-MOR | Level 4 | Price Quotations | R 36 830,00 | R 36 830,00 | - | R 42 354,50 |
| T2/2017 | PRINTING & DISTRIBUTION PF MUNICIPAL ACCOUNTS FOR A PERIOD OF 3 YEARS. (SCM11-2016-17) | CAB HOLDINGS PTY LTD | Level 2 | Competitive Bids | R 399 337,40 | R 399 337,40 | - | R 399 337,40 |
| T14/2017 | PROCUREMENT OF GOODS & SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE: CONTRACT RT25/2016 THE APPOINTMENT OF SERVICE PROVIDERS FOR AN INTEGRATED FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEMS FOR LOCAL GOVERNMENT FOR THE PERIOD 1 AUGUST 2016 TO 31 MAY 2019. | VESTA TECHNICAL SERVICES (PTY) LTD | Level 2 | Competitive Bids | R 6 812 245,63 | R 6 812 245,63 | - | R 6 812 245,63 |
| T22/2017 | PROFESSIONAL SERVICES: COMPILATION OF DAM SAFETY REPORT. | INGEROP (PTY) LTD | Level 2 | Competitive Bids | R 51 300,00 | R 51 300,00 | - | R 51 300,00 |
| T5/2017 | PROFESSIONAL SERVICES: EXTERNAL AUDIT OF LANDFILLS AND ANNUAL REPORT. Q17-2016-17 | NCC ENVIRONMENTAL SERVICES | Level 4 | Price Quotations | R 34 200,00 | R 34 200,00 | - | R 34 200,00 |
| T18/2017 | REGRAVELLING OF SUIDERSTRAND ROAD. | CAPE AGULHAS CIVILS CC | Non-compliant contributor | Deviations | R 973 981,80 | R 973 981,80 | - | R 973 981,80 |
| T9/2017 | SUPPLY & INSTALLATIONS OF WATER DISINFECTION SYSTEM IN L'AGULHAS. Q16-2016-17 | MAXAL PROJECTS SA (PTY) LTD | Non-compliant contributor | Price Quotations | R 45 387,88 | R 45 387,88 | - | R 45 387,88 |
| T6/2017 | SUPPLY&INSTALLATION OF NEW MEMBRANES AT SPANJAARDSKLOOF WTW. Q15-2016-17 | IKUSASA CHEMICALS (PTY) LTD | Level 2 | Price Quotations | R 144 050,40 | R 144 050,40 | - | R 144 050,40 |
| T21/2017 | UPGRADING OF MECHANICAL AND ELECTRICAL AERATION EQUIPMENT AT BWWTW. | VIKING PONY AFRICA (PTY) LTD T/A TRICOM AFRICA | Level 8 | Competitive Bids | R 1 717 991,17 | R 1 717 991,17 | - | R 1 717 991,17 |
| T20/2017 | WATER BOREHOLE DRILLING & TESTING AT NAPIER AND SUIDERSTRAND. | SA ROTSBORRE (PTY) LTD | Non-compliant contributor | Competitive Bids | R 998 953,50 | R 998 953,50 | - | R 998 953,50 |
| Total | | | | | R 11 242 477,78 | R 11 242 477,78 | - | R 11 252 202,28 |

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 | 1 | R 32 400,00 | R 28 200,00 | - |
| Level 2 | 4 | R 7 406 933,43 | R 7 406 933,43 | - |
| Level 4 | 2 | R 76 554,50 | R 71 030,00 | - |
| Level 8 | 1 | R 1 717 991,17 | R 1 717 991,17 | - |
| Non-compliant contributor | 3 | R 2 018 323,18 | R 2 018 323,18 | - |
| Total | 11 | R 11 252 202,28 | R 11 242 477,78 | - |

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 31 March 2017, the value of stock at the municipal stores amounted to

| | |
|-----------------------------|-----------------------------|
| Store A – Bredasdorp Stores | R1 147 072.73 |
| Store B – Struisbaai Stores | R - |
| Store C – Electrical Stores | R 138 728.40 |
| Total value of stock | <u>R1 285 801.13</u> |

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 plan was updated after the adjustment budget was approved and distributed to the user 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 2016/17 financial year.

| REQUESTS BELOW R30 000 | OCTOBER – DECEMBER 2016 | | | | | | | |
|---------------------------|--|----------------|---------------------------------|----------------|---|----------------|---------------------------|-----------------|
| | JULY - SEPTEMBER 2016 1 st quarter | | 2016 2 nd quarter | | JANUARY - MARCH 2017 3 rd quarter | | TOTAL JUL 2016 - MAR 2017 | |
| | Total No | value | Total No | value | Total No | value | Total No | value |
| Requests processed | 1038 | R 4 750 568,28 | 936 | R 3 715 714,86 | 880 | R 3 681 764,61 | 2854 | R 12 148 047,75 |
| Orders processed | 954 | R 4 302 419,91 | 851 | R 3 314 598,96 | 809 | R 3 396 048,14 | 2614 | R 11 013 067,01 |
| Request/ orders cancelled | 84 | R 448 148,37 | 85 | R 401 115,90 | 71 | R 285 716,47 | 240 | R 1 134 980,74 |
| Outstanding orders | 346 | R 1 745 845,55 | 245 | R 988 897,79 | 283 | R 1 394 837,22 | 874 | R 4 129 580,56 |
| Goods delivered not paid | 28 | R 221 492,50 | 85 | R 515 300,70 | 74 | R 349 019,08 | 187 | R 1 085 812,28 |
| Paid orders | 580 | R 2 335 081,86 | 512 | R 1 810 400,47 | 448 | R 1 652 191,84 | 1540 | R 5 797 674,17 |

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.

On 28 February 2017 a system demonstration was done by Business Engineering on the Monitoring and Performance management of contracts. We currently have the collaborator contract register, but the functionality for the monitoring and performance of contracts still needs to be purchased and implemented.

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 Enhanced Procurement and contracting methodologies – Minimising undesirable outcomes, building robust contingency plans in contract management & governance, and the utilization of framework agreements for infrastructure procurement was held on 6 March 2017 at the the CTICC.

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 **32**.

The total number of registred suppliers until 31 March 2017 amounts to **987**.

• 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.

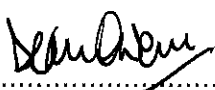
13. External Relations

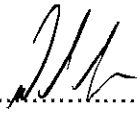
- The following meetings took place during the 3rd quarter of the 2016/17 financial year:
 - 10 February 2017 - SCM Provincial Forum
 - 24 February 2017 - SIPDM Readiness
 - 7 – 8 March 2017 - Smart Procurement Summit

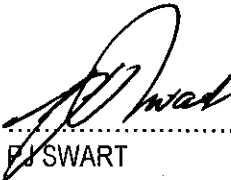
14. Conclusion

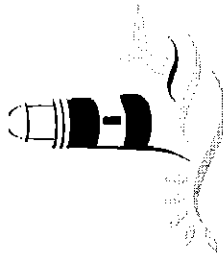
The Supply Chain Management Unit is continuously improving its processes and procedures in order to ensure that Council receive value for money in terms of demand and acquisition management.


.....
RJ SEFOOR
MANAGER SCM
Date: 4/03/2017.


.....
DGI O'NEILL
MUNICIPAL MANAGER
Date: 04/04/13


.....
PJ VAN BILJON
DIRECTOR: FINANCIAL SERVICES
Date: 08/04/2017


.....
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 January 2017 – 31 March 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. |

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| 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 • 1 st quarter – 18 October 2016 • 2 nd quarter – 14 February 2016 |
| 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 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 |

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| | | | | | database as a secondary supplier database and also to verify suppliers |
| 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 | Advertising in local newspaper and website will be done on 7 April 2017. |
| 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 | | Reported on monthly base to CFO, MM and Council |
| 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 |

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| 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 |

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| | (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 RT25/2016: The appointment of service providers for an integrated Financial Management and internal control system for local government for the period 1 August 2016 to May 2019. The contract has been secured by National Treasury. |

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| | (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. | Accounting Officer | Chief Financial Officer | YES | |
| 37(2) | Decide to consider an unsolicited bid but only if – | Municipal Council | Accounting Officer | YES | |

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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 |

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| | <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) | <p>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.</p> | 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) | <p>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.</p> | 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>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. |
| 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 |

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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>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 |

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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 | |