

# PHOKWANE LOCAL MUNICIPALITY



## SUPPLY CHAIN MANAGEMENT

### QUARTERLY REPORT

### OCTOBER - DECEMBER 2017

## 1. Introduction

Integrated Supply Chain Management aims to add value at each stage of the procurement process, from demand of goods and services to their acquisition. Managing the logistics process and finally after use to their disposal. In doing so SCM processes addresses deficiencies in the current practice related to procurement and contract management. The following report covers the period between October - December 2017. Regulation 6 (3) of the SCM Regulations requires the municipality to report the implementation of SCM Policy to council in order to strengthen Council's oversight role and hence we report the following activities carried out on the 2<sup>nd</sup> Quarter of 17/18 financial year.

## 2. Policy

The latest reviewed policy in use was adopted on 31 May 2017 for 2017/2018 under (*Res: 58/2016*).

## 3. Gifts register

Municipalities must keep a register of gifts above the threshold of R350.00. This register is to protect both the individuals and the institution against corrupt activities and gift givers that do so in order to get privilege treatment over others or either to blackmail the officials in order to get what they want.

- No gifts reported for the month of October, November and December 2017.

## 4. Staff Component

The staff complement of SCM unit is as follows: (1 x Demand officer, 2 x Acquisition officers (orders and bids), 2 x financial interns, one Asset Management officer, store man and store assistant)

## 5. Support from Treasury

No formal or informal training was attended by any SCM official.

## 6. Procurement plan

The municipal 2017/2018 financial year procurement plan was drafted and by the end of this quarter the plan was not yet approved, however 90% of the capital expenditure of this financial year is work in progress and it's only contracts with payments that needs to be managed.

## 7. Risk management

No newly identified risk on procurement for the previous quarter.

## 8. Registration of Contracts on the National Treasury website

Month	Contract Number	Name of Service provider	Type of service	Amount	Date appointed	Date captured on Treasury website
OCT	NIL	NIL	NIL	NIL	NIL	NIL
NOV	NIL	NIL	NIL	NIL	NIL	NIL
DEC	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total amount of procurement captured into the National Treasury website</b>				<b>NIL</b>		

## 9. DATA BASE APPLICATIONS RECEIVED

The municipality SCM Demand office is currently assisting the service providers with capturing and aligning the commodities in CSD as it is the centralized data base approved for usage country wide.

Month	Total number of new applications received	Successfully captured	Aligning commodities	CSD queries attended
October	18	18	0	1
November	19	19	3	1
December	04	04	0	0

## 10. BID COMMITTEES

Name of committee	Number of committee members	Number of meetings held	Total number of items discussed
Bid Specification committee	2	1	3
Bid Evaluation Committee	4	2	16
Bid Adjudication committee	4	2	6
<b>BSC items</b>	General Valuation roll for a period of 5 years		
	Sampling of drinking water on fixed term contract		
	Repairs and maintenance of water pumps and treatment works		

## 11. ORDERS BELOW R30 000.00 PROCESSED

Month	Number of requests received	Market analysis	Captured –orders	Insufficient	Decl ined	Cat - Order	Cat – FWQ/Bid	Orders to exp.
October	0	0	0	0	0	0	0	25
November	48	97	48	0	0	0	0	5
December	07	17	7	0	0	0	0	0

SUPPLY CHAIN MANAGEMENT REPORT – October - December 2017

Detailed information of orders processed									
OCTOBER 2017									
Date of receiving the request-Demand	Date submitted to acquisition	Date captured and issuing the order	Appointed service provider	Amount	Order number	Department	Name of requestor	Type of service rendered	Turnaround time
09/10/2017	09/10/2017	09/10/2017	Dept. of safety & liaison	R426.00	000204	Technical	Cidraas	Licence for ckn 395 nc	1
05/10/2017	05/10/2017	05/10/2017	Retladira trading & pro	R29 500.00	000200	Community	Gqasana	School edu. & green proje	5
18/10/2017	18/10/2017	18/10/2017	Voltex Kimberley	R25 263.54	000235	Stores	Mampe	Electricity material	8
02/10/2017	02/10/2017	03/10/2017	Kimberley water supplies	R28 569.38	000181	Stores	Mampe	Water material	20
23/10/2017	23/10/2017	23/10/2017	Melfred market solutions	R1 800.00	000294	Corporate	Ina	Round golden door locks	5
26/10/2017	26/10/2017	30/10/2017	Dept. of safety & liaison	R2 654.00	000328	Technical	Blaauw	Licence for bcz 282 nc	3
26/10/2017	26/10/2017	30/10/2017	Dept. of safety & liaison	R8 906.00	000335	Technical	Blaauw	Licence for bhj 686 nc	3
26/10/2017	26/10/2017	30/10/2017	Dept. of safety & liaison	R2 882.00	000336	Technical	Blaauw	Licence for cjk 715 nc	3
26/10/2017	26/10/2017	30/10/2017	Van vuuren bande	R3 120.00	000334	Technical	Klein	4 tyres for brf 837 nc	3
26/10/2017	26/10/2017	30/10/2017	Hartswater auto zone	R2 840.00	000332	Community	Cloete	4 tyres for ccx 401 nc	3
26/10/2017	26/10/2017	30/10/2017	Hartswater auto zone	R4 080.00	000330	Technical	Klein	4 tyres for ckc 878 nc	3
17/10/2017	17/10/2017	17/10/2017	Glass cenre construction	R1 000.00	000225	Corporate	Ina	Repair desk	9
02/10/2017	02/10/2017	03/10/2017	Graciiance solution	R4 992.04	000179	Library	Cloete	Cleaning material	14
17/10/2017	17/10/2017	18/10/2017	Dinatla tsa ngwao	R1 900.00	000234	Community	Koena	Tourism awareness	3
19/10/2017	19/10/2017	19/10/2017	Dept. of safety & liaison	R426.00	000247	Library	Cloete	Licence for ccx 401 nc	2
18/10/2017	18/10/2017	18/10/2017	Voltex Kimberley	R28 992.48	000233	Stores	Mampe	Electricity material	8
05/10/2017	05/10/2017	17/10/2017	Central office equipment	R20 805.20	000198	Expenditure	Modise	Stationery	17
17/10/2017	17/10/2017	18/10/2017	Central office equipment	R1500.00	000236	Traffic	Jonck	Stationery	9
18/10/2017	18/10/2017	18/10/2017	c-pac	R9434.60	000237	Stores	Mampe	Water material	19
26/10/2017	26/10/2017	26/10/2017	T & m hardware	R392.00	000325	Technical	Lepedi	4 bags of cement	6
19/10/2017	19/10/2017	19/10/2017	Voltex Kimberley	R24 054.00	000257	Stores	Mampe	Electricity material	7
13/10/2017	13/10/2017	13/10/2017	Coen fraenkel	R18 305.00	000215	Community	Mabilo	Land surveyor erf 154	36
13/10/2017	13/10/2017	13/10/2017	Coen fraenkel	R19 305.00	000214	Community	Mabilo	Land surveyor erf 259	36
02/10/2017	02/10/2017	02/10/2017	Teemaneng pumps	R14 709.42	000180	Technical	Lubbe	Dewatering pumps	77
17/10/2017	17/10/2017	17/10/2017	Dfa	R1109.11	000227	Corporate	Ina	Commanage & led policy	66
<b>TOTAL</b>				<b>R256 965.77</b>					

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NOVEMBER 2017									
Date of receiving the request-Demand	Date submitted to acquisition	Date captured and issuing the order	Appointed service provider	Amount	Order number	Department	Name of requestor	Type of service rendered	Turnaround time
07/11/2017	07/11/2017	07/11/2017	Vaalharts printers	R3 400.00	000572	Community	Lebatlang	Building plan stamps	53
17/11/2017	17/11/2017	17/11/2017	Tsweletsopele enterprise	R29 460.00	000579	Technical	Domingo	9m wooden poles	45
17/11/2017	17/11/2017	17/11/2017	Ino water services	R25 600.00	000578	Technical	Cidraas	Sodium hypochlorite	45
17/11/2017	17/11/2017	17/11/2017	Test it lab	R29 958.82	000577	Technical	Cidraas	Samples for oct/nov 2017	45
01/11/2017	01/11/2017	01/11/2017	Vaalharts printers	R1 115.00	000571	Corporate	Ina	Date stamp & ink	54
<b>TOTAL</b>				<b>R89 533.82</b>					
DECEMBER 2017									
Date of receiving the request-Demand	Date submitted to acquisition	Date captured and issuing the order	Appointed service provider	Amount	Order number	Department	Name of requestor	Type of service rendered	Turnaround time
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL</b>				<b>R0.00</b>	<b>Total Quarterly orders processed - R346 499.59</b>				

**12. Outstanding orders by month end**

- None

**13. COMPETITIVE BIDDING PROCESS - (R200 000.00) - 80/20 and 90/10**

BIDS Received on Jul, Aug & Sep 2017						
Tender number	Closing Date	Number of Bids received	Evaluation Criteria	Type of service	Tender awarded Yes/No	Reasons if not awarded
PHCS19/2016	21/06/2017	5	80/20	Catering Services	No	Waiting for bid committees to sit
NIL	NIL	NIL	NIL	NIL	NIL	NIL

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<b>Tenders awarded</b>						
<b>Tender number</b>	<b>Date of award</b>	<b>Successful bidder</b>	<b>Turnaround time</b>	<b>Amount</b>	<b>Type of service</b>	<b>Contract signed</b>
NIL	NIL	NIL	NIL	NIL	NIL	NIL
NIL	NIL	NIL	NIL	NIL	NIL	NIL

<b>FORMAL WRITTEN QUOTATION (R30 000 – R200 000)</b>						
<b>FWQ Number</b>	<b>Closing date</b>	<b>Date awarded</b>	<b>Reason if not awarded / turnaround time</b>	<b>Recommended Service provider</b>	<b>Type of service</b>	<b>Amount</b>
NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total amount of FWQ appointed in the fourth quarter of 1617 financial year						NIL

### # Summary of procurement

<b>Category</b>	<b>Number of procurement completed</b>
<b>R100 – R30 000</b>	<b>40</b>
<b>R30 000 – R200 000</b>	<b>1</b>
<b>Tenders process completed</b>	<b>0</b>

### 14. Deviations

<b>Date</b>	<b>Service provider</b>	<b>Amount</b>	<b>Department</b>	<b>Reason for deviating</b>
2017-10-19	Calibration of speed machine	3920.16	Traffic	<ol style="list-style-type: none"> <li>1. Sole provider</li> <li>2. Strip and repairs</li> <li>3. Emergency services or other</li> </ol>
		NIL		

### 15. Adverts placed for goods, services and recruitment/employment

Adverts on website	Adverts on newspaper	Newspaper used	Notice Board
3	0	-	3
Month	Service / Goods		
<b>October</b>	- Supply and delivery of computers		
	- Geotechnical study 2575 Hartswater		
	- Town planning and land surveying services 259 Utlwanang		
<b>November</b>	- Supply and delivery of two colour photocopy machines		
December	- 0		

### 16. E-TENDERS

Date	Bid Number	Tender description
e.g. 01/06/2017	PHCS19/2016	Supply and delivery of catering services on a fixed term contract
NIL	NIL	NIL

### 17. Poor performance / Sub-standard service by: Consultants, contractors and service provider

Name of consultants	Service	Transfer of skills	Overall performance	Recommendation for future use
NIL	NIL	NIL	NIL	NIL

No report received in this regard

**18. Register of Irregular Expenditure**

<b>IRREGULAR EXPENDITURE FOR October 2017-December 2017</b>															
<b>PHOKWANE LOCAL MUNICIPALITY</b>															
No	Date of discovery	Date Reported to Accounting Officer	Transaction details				Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure	Status						
			Date of Payment	Pay No	Amount	Description of Incident			UI	DP	CC	TR	P	WO	General comments
1	2017-09-07	2017-09-08	2017-10-19	77019380	3920.16	Calibration of speed machine	EH Jonck	N/A							SCM Deviations
2	2018-01-03	n	2018-01-03		252088.59	Interests on ESKOM account	Electricity	FW	X						Fruitless and wasteful
3	2018-01-02	n	2018-01-02		73667.98	Interests on ESKOM account	Electricity	FW	X						Fruitless and wasteful
4	2018-01-02	n	2018-01-02		113.84	Interests on ESKOM account	Electricity	FW	X						Fruitless and wasteful
5	2018-01-23	n	2018-01-23		31701.94	Interests on ESKOM account	Electricity	FW	X						Fruitless and wasteful

**ABBREVIATIONS**

UI: Irregular expenditure Under Investigation
DP: Disciplinary process initiated against responsible person
CC: Criminal charges laid with SAPS
TR: Transferred to receivables for recovery
P: Paid or in process of paying in installments
WO: Written-off by council as irrecoverable



## 19. COMPLAINS / ENQUIRIES RECEIVED:

18.1. Internal – Stationery

18.2. External - No complaints received

## 20. Challenges Encountered

- End users failing to keep track of their budget votes

## 21. Intern in the Demand Office:

Still on month to month contract.

## 22. Conclusion

The Supply Chain Management Unit is continuously improving its processes and procedures in order to ensure that council receives value for money in terms of demand and acquisition management. The processes followed will give reasonable assurance to the council and the communities of Phokwane area that the Council approved policy and the SCM Regulations was followed promptly.

Compiled by:

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