

# EMTHANJENI MUNICIPALITEIT



## **SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR THE 2019/2020 FINANCIAL YEAR**

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## 1. INTRODUCTION

The scope of the implementation review will include the following:

### **Supply Chain Management Implementation Report**

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), (the 'MFMA') requires the municipality to have and implement a Supply Chain Management Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

On the 30th May 2005 the Municipal Supply Chain Management Regulations were issued. As a Medium Capacity Municipality Emthanjeni Local Municipality had to comply with the provisions of the Regulations from 01 January 2006. Annually the SCM Policy is revised by Council. The SCM Policy, together with the applicable set of delegations was approved by Council on 29 May 2018 at a legally constituted Council meeting.

Although the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations, bids or tenders the council has an oversight role to ensure that the accounting officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight the Regulations require that the accounting officer must –

- (a) Within 30 days of the end of each financial year, submit a report on the implementation of the policy to the Council.**

## 2. The Delegations

The Accounting Officer is responsible for implementing the policy and taking all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.

In terms of this responsibility Council has adopted a full set of delegations which assist in maximising the administrative and operational efficiency. The delegations also provide adequate checks and balances in the municipalities Supply Chain Management function. According to Section 79 and 106 of the MFMA delegations and sub-delegations in terms of sub-section 1 must be in writing.

The Accounting Officer has delegated powers and duties to directors as prescribed by the SCM Policy, these delegations have been conferred in writing between the individuals (CFO, MFS and all Accountant). There are also minor sub-delegations in place in terms of individual officials' job description but these sub-delegations have not been conferred in writing between the parties as is prescribed by the policy. The municipality has duly implemented the Bid Committee system, also with the proper written delegations.

The undertaking by the Supply Chain Management Unit to exercise a thorough identification of the powers and the duties of officials to determine the relevant levels for sub-delegations to the incumbents and compile written delegations and have implemented this system of written delegations in terms of the legislation by the 1st of October 2007 has been reached.

SCM reports are submitted to the National and Provincial Treasury as well as the Council and MPAC on a regular basis.

Progress on the implementation will be provided on an ongoing basis through the quarterly reports.

### **3. Organisational Structure**

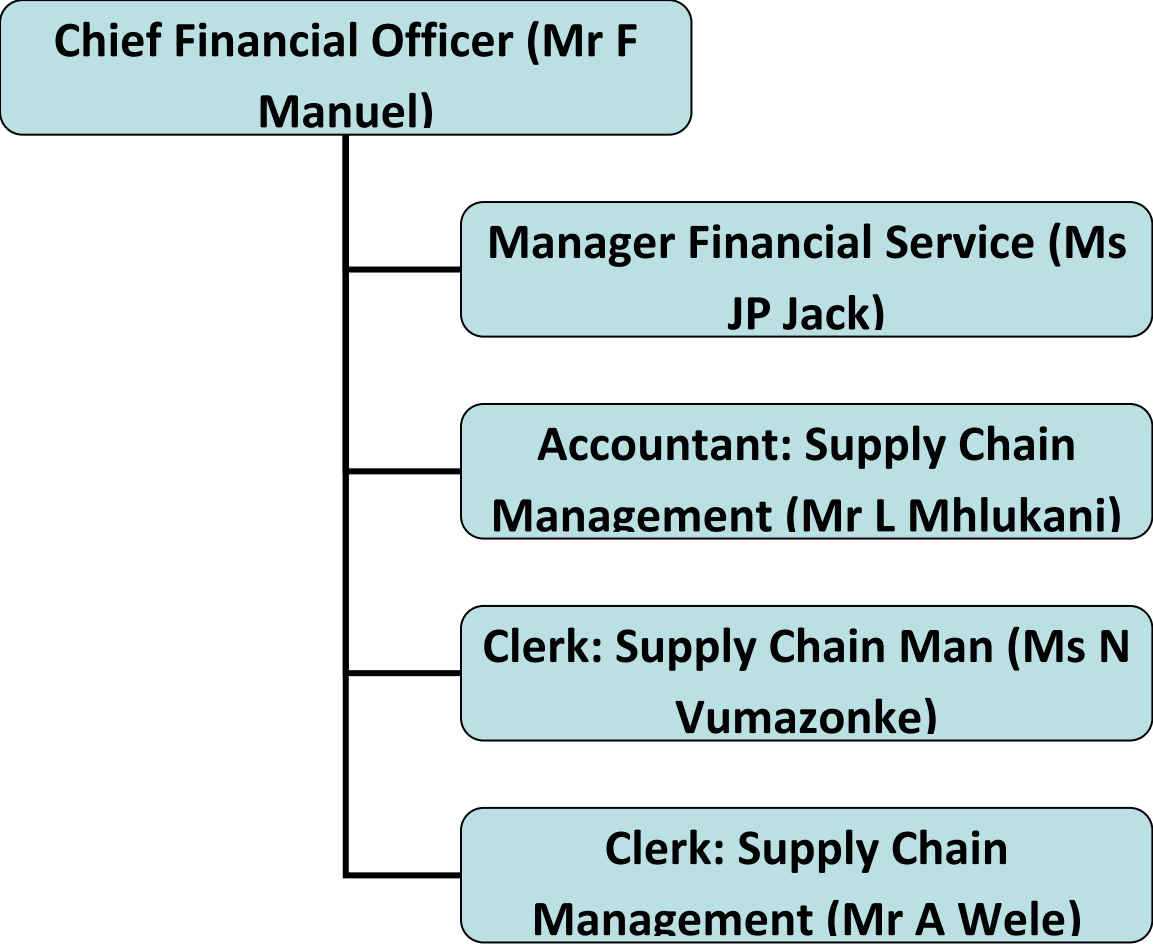
In terms of Paragraph 7 of the Municipal Supply Chain Management Regulations (MSCMR) the municipality must establish a Supply Chain Management Unit (SCMU) to implement its supply chain management policy. The SCMU operates under the direct supervision of the Chief Financial Officer (CFO) or may be delegated to an official in terms of Section 82 of the MFMA.

However the SCM Accountant and staff reports directly to the Manager Financial Services.

With all the challenges facing the SCM unit, procurement is being done centrally and the SCM unit functioning under enormous strain especially considering that we short staffed due to the departure of another clerk in January 2018, however this position has since been filled in November 2018 by Mr A Wele.

As the Supply Chain Unit Accountant we will recommend to the Chief Financial Officer that we get an additional staff in a form of the existing contractual interns who will be in supply chain unit to assist with load. With Regards to this plea we were given Ms Mosia to assist the unit, and as she is an intern therefore has since been rotated. We grateful for her assistance in making sure that there is a smooth efficient and effective working of the unit.

The organizational structure within the unit is set out as follows:



**During the reporting period, the staff complement that performed the duties and functions in terms of the SCM policy were as follows:**

Chief Financial Officer -	Supply Chain Management Practitioner Co-ordinates and controls the implementation of the Policy
Manager of Financial Services -	Supply Chain Management Practitioner Co-ordinates and controls the implementation of the Policy
Accountant: Supply Chain Management -	Implementation of the policy Supervise the implementing staff Processing of all procurement
Clerks: Supply Chain Management -	Processing of all procurement

This structure ensures that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices. The Chief Financial Officer is responsible for the administration and the implementation of the SCM policy and interchangeably takes part in the Bid Committee system.

#### **4. Competency Levels of the Supply Chain Management Unit**

A number of 3 (Three) SCM related workshops or trainings were attended by the supply chain management unit staff under the current financial year 2019/2020.

The Supply Chain Unit staff Possesses a lot of experience amongst themselves; but because this unit is an ever changing unit on an everyday basis it is important that the staff be equipped by attending workshops and trainings when they request to do so, so that as the country and world is developing they are equally equipped to deal with the changes that comes with development. It is my plea then that this becomes priority in the municipality to make sure that this municipality is kept in par with the rest of the country.

## 5. Demand Management

### 5.1 Preferred Suppliers Database

In terms of the Municipal Financial Management Act (MFMA) (Act 56 of 2003) the Emthanjeni Local Municipality is required to have a Preferred Suppliers Database.

However Purchases for goods and services for all the Municipality since 2015/16 Financial Year has been made through the Central Suppliers Database (CSD). The Emthanjeni Local Municipality is using the Central Suppliers Database (CSD) and requested all current as well as interested suppliers to register on the database.

The Central Suppliers Database is an online web based system and anyone doing business with Municipality should register online. Emthanjeni Local Municipality has made efforts and continues to make efforts e.g. Workshops to assist businesses to register online on CSD and this is happening on a day to day as the office of SCM Unit is assisting individuals to register their businesses on the CSD.

### 5.2 Supply Chain Management processes

The following thresholds are currently being adhered to in order to support the strategic and operational commitments of the Municipality:

#### **(a) For procurement to a value of R1 000 (VAT included)**

- One quotation will be required
- The supplier is selected and appointed on a rotation basis, provided that the parts or repairs are supplied immediately
- Normal stock items: the buyer will re-order at the agreed minimum stock level
- For the purchasing of non-stock items authorization is required in accordance with the delegations

#### **(b) For procurement of values between R1 001 and R2 000 (VAT included)**

- One quotations will be required
- The supplier is selected and appointed on a rotation basis, provided that the parts or repairs are supplied immediately
- Normal stock items: the buyer will re-order at the agreed minimum stock level
- For the purchasing of non-stock items authorization is required in accordance with the delegations

**(c) For procurement of values between R2 001 and R10 000 (VAT included)**

- Two written quotations will be required
- The supplier is selected and appointed on a rotation basis, provided that the parts or repairs are supplied immediately
- Normal stock items: the buyer will re-order at the agreed minimum stock level
- For the purchasing of non-stock items authorization is required in accordance with the delegations

**(d) For procurement of values between R10 001 and R200 000 (VAT included)**

- Three formal written quotations will be required
- The CFO will appoint the supplier on a rotation basis, depending on the urgency and delivering period
- All requirements in excess of R30 000 must be advertised for at least 7 days on the website and an official notice board of Emthanjeni Local Municipality
- The CFO will approve all purchases above R100 000

**(e) For procurement above R200 000 (VAT included) and long term contracts**

- Goods and services are procured by way of a competitive bidding process for-
- procurement above a transaction value of R200 000 (VAT included); and
  - the procurement of long term contracts.

The development of efficient and effective Procurement Procedures was set as a prime objective. This goal, although it is an ongoing process, has been reached.



## 6. The Bid Committee System

The Bid Committee system for competitive bids has been actively applied within the municipality over the past financial year. Officials are still being invited on an ad-hoc basis to participate in the committees as and when required, but with written delegations in order to participate in the committees.

### 6.1 The bid specification committee

The bid specification committee compiles the specifications for the procurement of goods or services by the municipality.

The committee is appointed by the Accounting Officer and must be composed of one or more officials of the municipality, preferably a Supply Chain Management Practitioner and the manager responsible for the function involved, and may when regarded appropriate by the Accounting Officer, include external specialist advisors.

The relevant Director is normally the chairperson of the Specifications Committee

The current members of the Bid Specification Committee are:

#### **Standing Members**

LM De Leeuw  
A Wele  
P Claaste  
H Joka

#### ***Advisors to the Specification Committee as Specialised Function as per specific tender that relates to a particular Directorate.***

Finance Directorate	:	F Manuel & JP Jack
Corporate Services	:	T Msengana, S Mvandaba & M Jack
Community Services	:	MR CP Appies
Infrastructure Services	:	M Owies, W Lubbe, L Billy, S Mgijima

### 6.2 The bid evaluation committee

The bid evaluation committee is appointed by the Accounting Officer and must as far as possible be composed of –

- One or two senior managers from the departments requiring the goods or services;
- Supply Chain Management Practitioner / Controller
- Tender Secretariat
- Internal Auditor

***The current members of the Bid Evaluation Committee are:***

Ms P Jack  
TS Mgijima  
W Lubbe  
L Billy  
CP Appies  
N Vumazonke

**6.3 The bid adjudication committee**

The bid adjudication committee may consist of:

- The Chief Financial Officer
- Supply Chain Accountant
- Director
- Tender Secretariat
- Technical Expert in the relevant field who is an official, if such an expert exists

The Bid Adjudication Committee has been fully functional and has been involved in all bids exceeding R 200 000 and due to a conservative approach even awards to a lesser value. The Bid Adjudication Committee recommends to the Accounting Officer, the successful Bidder. The Accounting Officer has the discretion to ratify or rejects the recommendation of the Bid Adjudication Committee.

***The current members of the Bid Adjudication Committee are:***

F Manuel  
M Owies  
T Msengana  
H Joka  
LC Mhlukani

**Bids recommended by the Bid Adjudication Committee and awarded by the Accounting Officer.**

The following bids were recommended by the Bid Adjudication Committee and awarded by Accounting Officer in terms of the SCM Policy and the Preferential Procurement Policy for the 2019/2020 financial year:

**BIDS RECOMMENDED BY BID ADJUDICATION COMMITTEE AND AWARDED BY THE ACCOUNTING OFFICER DURING 2019/2020 FINANCIAL YEAR.**

<b>PROJECT DESCRIPTION</b>	<b>PROJECT NO.</b>	<b>CLOSING DATES</b>	<b>BIDDERS</b>	<b>BID AMOUNTS</b>	<b>RESPONSIVE BIDDERS</b>	<b>BID POINTS SCORED</b>	<b>Bids Awarded to/Successful Bidder</b>
Construction of Britstown Oxidation Ponds	T2/2019	12 April 2019	<ul style="list-style-type: none"> <li>• T and C Civils Jv Tarcon Projects</li> <li>• Kopano Ke Matla</li> <li>• Jorion Constructi on (Pty) Ltd</li> <li>• Lubucon Civils</li> <li>• Weird Industries</li> <li>• Ruwacon (Pty) Ltd</li> <li>• Avax SA 181 Cc</li> <li>• Thalami Civils (Pty)Ltd</li> <li>• Impressive</li> <li>• De Jagers</li> </ul>	R 26 361 083.14 R 22 631 505.02 R 22 053 742.07 R 24 242 954.30 R 28 306 487.90 R 21 666 839.82 R 28 894 498.65 R 29 797 622.10 R 11 770 744 R 21 402 215.33	Not ALL Bidders were Responsive and were considered for final consideration.	<ul style="list-style-type: none"> <li>• 81</li> <li>• 91</li> <li>• 89</li> <li>• 97</li> <li>• 98</li> </ul>	<b>De Jagers</b>  <b>R 21 402 215.33 VAT INCL.</b>

			<ul style="list-style-type: none"> <li>• Overrox Trading 55</li> <li>• Lohan/Masakhane JV</li> <li>• Johnny Bravo Trading &amp; Its Joint Venture</li> </ul>	R 28 916 231.47 R 29 750 953.11 R 32 993 306.88			
Waterdal Refurbishment/Upgrade of 6.6KV to 11 Kv Network	T3/2019	12 April 2019	<ul style="list-style-type: none"> <li>• DC10 Electrical Construction</li> <li>• Madz Electrical</li> <li>• VE Reticulation(Pty)Ltd</li> <li>• Matsapa Trading</li> </ul>	R 8 134 803.88 R 7 506 620.69 R 7 190 072.78 R 7 179 786.02			<b>Matsapa Trading 705 CC</b>

			705 CC			
			<ul style="list-style-type: none"> <li>NewTech Electrical Supplies</li> </ul>	R 8 878 422.74		
			<ul style="list-style-type: none"> <li>Generic Core IT Solutions</li> </ul>	R 7 556 108.75		
			<ul style="list-style-type: none"> <li>Tshepo Bathong Trading CC</li> </ul>	R 9 687 753.75		
			<ul style="list-style-type: none"> <li>B&amp;S Electrical</li> </ul>	R 6 718 128.65		
			<ul style="list-style-type: none"> <li>Rampwils on Star Trading cc</li> </ul>	R 7 929 922.62		
			<ul style="list-style-type: none"> <li>Kingki Electrical Constructor</li> </ul>	R 7 799 730.67		

			<ul style="list-style-type: none"> <li>• Motheo Constructi ons</li> </ul>	R 6 779 165.36			
			<ul style="list-style-type: none"> <li>• NCO Electrical</li> </ul>	R 7 707 285.49			
Construction of Emthanjeni StormWater Phase3	T4/2019	11 July 2019	<ul style="list-style-type: none"> <li>• De Jagers Loodgieter Constructi on</li> <li>• Kopano Ke Maela Constructi on</li> <li>• Weird Industries s CC</li> <li>• Newglo Trading &amp; Pro Constructi on</li> </ul>	R 39 680 351.12			<b>Black Top Civils R 10 183 175.04</b>

			<ul style="list-style-type: none"> <li>• Nomano Trading Cc</li> <li>• Jorian Construction</li> <li>• Elliador 178</li> <li>• Aphiwokuhle Holdings</li> <li>• Roburn (Pty)Ltd</li> <li>• Ruwacon (Pty)Ltd</li> <li>• Black Top Civils (Pty)Ltd</li> </ul>	<p>R 26 547 340.60</p> <p>R 32 641 762.73</p> <p>R 18 584 810.75</p> <p>R 17 422 149.25</p> <p>R 36 419 091.30</p> <p>R 28 950 000.00</p> <p>R 10 183 175.04</p>			
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Compilation of Emthanjeni Spatial Development Plan and Land use Management System	T5/2019	21 June 2019	<ul style="list-style-type: none"> <li>• Maswani JV</li> <li>• Orange Apple Trust</li> <li>• Bokamoso Urban Planners JV Ditsamai</li> </ul>	R 1 529 500.00 R 1 570 440.00 R 2 461 924.60	NO BIDDER ON THIS PROJECT WAS APPOINTED.		
External Loan	T7/2019	22 July 2019	<ul style="list-style-type: none"> <li>• Standard Bank</li> <li>• FNB</li> <li>• ABSA Bank</li> </ul>	9.91% 10.50% 10.25%			<b>Standard bank</b>
Provision of Professional Engineering Services for Planning, Design and Project Management for the	T8/2019	02 September 2019	<ul style="list-style-type: none"> <li>• Tshawe Infrastructure Technologies</li> <li>• IX Engineers</li> </ul>	R 1 576 569.50 R 1 567 967.50	ALL bidders were Responsive however only 4 bidders were considered for final evaluation after	83.54	<b>Melokuhle Management</b>

Upgrading of Khwezi Sports Ground			<ul style="list-style-type: none"> <li>• Civil Sense Consulting</li> </ul>	R 1 427 897.50	Funtionality.		
			<ul style="list-style-type: none"> <li>• Dipabala Consulting Engineers</li> </ul>	R 1 750 210.88			
			<ul style="list-style-type: none"> <li>• MVD Kalahari Consulting Engineers</li> </ul>	R 1 562 308.35		81.88	
			<ul style="list-style-type: none"> <li>• Melokuhle Management</li> </ul>	R 1 300 383.52		100.00	
			<ul style="list-style-type: none"> <li>• BVI Consulting Engineers</li> </ul>	R 1 389 464.50		94.52	
			<ul style="list-style-type: none"> <li>• Mekan Engineering Services</li> </ul>	R 1 515 358.45			
Upgrading of	T9/2019	18	<ul style="list-style-type: none"> <li>• Matela</li> </ul>	R 10 575 160.02		100.00	<b>Matela Civil and Construction</b>

Khwezi Sports Ground		December 2019	Civil and Construction  <ul style="list-style-type: none"> <li>• Moke Construction and Projects</li> <li>• Zerba Craft (Pty) Ltd</li> <li>• Thena Mnyuku JV</li> <li>• Bulwazi Trading (Pty) Ltd</li> <li>• Amk-Zimele JV</li> <li>• Big Family Constructi</li> </ul>	R 10 789 525.69  R 16 553 302.34  R 14 631 710.99  R 11 101 319.70  R 13 348 312.50  R 10 614 696.59			
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			on				
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Procurement above R30 000 and less than R200 000 where formal written quotations were invited. The following SCM Notices were advertised for at least seven days on the municipal website and official notice board of the municipality during the 2019/2020 financial year. These notices were evaluated against the 80/20 bid principle.

SCM Web Notices - Request For Quotations (R30 000 to R200 000)											
FINANCIAL YEAR:01 July 2019 to 30 June 2020											
Notice No	Description	Owner	Date Published	Closing Date	On Website (Yes/No)	Bids Received		Deviation Required (Yes/No)	Awarded to	Order No	Payment Reference
						Bidder	Amount				
18/2019	Bitumen Drums (200L)	Mr W Lubbe	22-Jul-19	31-Jul-19	No	1. Tosa Pty Ltd amnd 2. Qongqo TG Trading CC	R 196 696.00 and R 244 950.00	No	Tosas		
20/2019	Purchase and Supply of Tavrda outdoor switching Module		23-Aug-19	30-Aug-19	No	1. Siyazingcangathi Holding and Enteprise (2.) Van Work Pty Lrd	1. R 192 500 (2.) R 198 400	No	Siyazingcathi Holding and Enteprise		
21/2019	Procurement of Lumedac(airdac)	Mr S Mgjijima	23-Aug-19	30-Aug-19	No	1. Universal Knowledge Software	R 197 400.00	No	Universal Knowledge Software	D1021129	
1/2020	Crushed Stone Base (G1) 38.5mm	Mr W Lubbe	05-Feb-20	14-Feb-20	Yes	1. De Aar Stone Crushers CC	R 195 270.00	No	De Aar Stone Crushers CC	D1021272	
2/2020	Bitumen Drums (200L)	Mr W Lubbe	24-Feb-20	04-Mar-20	Yes	1. Tosas	R 199 289.25	No			
3/2020	Supply and Delivery of COvid19 Equipment	Mr H Joka	08-Jun-20	17-Jun-20	No	1. Mugodeni Construction (2.) GQ Trading (3.) Ingomso Youth General Trading (4.) Vwukolwam Enteprise (5.) Luvuyo and Mihle Property and Service (6.) Ground Breaking Umbrella Group (7.) WWC Matha (8.) Van Work	1. R 186 000 (2.) R 403 144.50 (3.) R 534 050 (4.) R 248 275 (5.) R 199 950 (6.) R 238 575 (7.) R 675 550 (8.) R 181 795	No	Mugodeni Construction	D1021480	
27/2020	Proposal Invited for Disposal of Erf 5117	Mr S Mvandaba	16-Jan-20	06-Feb-20	Yes	1. Henry Robins Rich		No			
28/2020	Business Proposal for purchase of 2 sites erf 258 and 259 in Hanover	Mr S Mvandaba	16-Jan-20	06-Feb-20	Yes	1. Siyakhosa Building Constructions and Renovations		No			

In cases where less than three quotations were received for any procurement, these procurement will form part of the detail summary list of deviation register (list). These deviations were tabled to Council on monthly basis. Detail of deviations are as follows:

## **7. Minor Breaches and Deviations**

### **7.1 Minor breaches of procurement processes**

The Supply Chain Management Policy states in Paragraph 39(1)(b) that: “The accounting officer may ratify 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”

### **7.2 Deviations from Procurement Process**

The Supply Chain Management Policy states in Paragraph 39(1)(a): “The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (i) in a emergency;
- (ii) if such goods or services are produced or available from a single provider only;
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) acquisition of animals for zoos and/or nature and game reserves; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes”

**A detailed schedule of all the minor breaches & deviations were approved by the Accounting Officer during the 2019/2020 financial year. These were also adopted by the Executive Committee and MPAC. Please see ANNEXURE A**

## **8. Awards to Close Family Members of Persons in the Service of the State**

In terms of Regulation 45 of the Supply Chain Management Regulation, awards to close family members of persons in the service of the state must disclose particulars of awards of more than R 2000 in the Annual Financial Statements.

**No bids were awarded to a person who is a family member of a person in the service of the state.**

### **Awards to Persons in the Service of the State**

In terms of Council's Supply Chain Management Policy, Paragraph 49, the municipality is prohibited from doing business with any person in the service of the state.

No bids were awarded to a person in the service of the state.

## **9. Logistics, Disposals and Risk Management**

The SCM unit must provide an effective system to ensure the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, vendor performance, maintenance and contract administration as well as provide for an effective method of disposal and letting of assets which is inclusive of redundant and obsolete stock. Such systems must also have in place mechanisms to identify, consider and avoid potential risk in the SCM system.

Sec 40 Municipal Supply Chain Management Regulations: Disposal Management provides for an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets.

***No Immovable and/or Moveable Asset/s were disposed this Financial Year 2019/20.***

### **a. Setting of Inventory Levels**

The inventory levels are monitored on a regular basis and updated, with the assistance with the Expenditure Department.

### **b. Inventory Control**

At the Time this report was prepared the stock take for the 2018/19 financial year was just being concluded.

### **c. Placing of Orders**

Copies of all orders are kept onsite and outstanding orders are followed up on a regular basis.

### **d. Receiving and Distribution of Goods**

The receipt and distribution of goods are recorded on the accounting system. This enables us to regularly do spot checks on stock as well as a full formal stock take at the end of the financial year.

### **e. Vendor Performance, Maintenance and Contract Administration**

Vendor performance is monitored continuously and problems are promptly addressed. Vendor records are also updated on a regular basis and contract administration are performed regularly to ensure service delivery.

### **f. Redundant and Obsolete Stock**

Redundant and obsolete stock are written off in terms of Council's Asset Management Policy.



**g. Mechanisms to identify, consider and avoid potential risk in the SCM System**

The potential of risks are identified on a case by case basis when the specifications of a particular requirement are drawn up. Individual transactions are scrutinized by the heads of department with the relevant delegation of authority to ensure compliance 36 with the SCM policy and further scrutiny is placed on the transactions before the payment is made by the office of the CFO.

## **10. Summary**

The implementation of Supply Chain Management in the municipality has become an accepted reality in the municipality.

Projects and procurement is being planned with cognisance of the requirements of the Supply Chain Management legislative framework. However more work should be done in order to improve strategic sourcing to enhance the value the municipality can derive in improved sourcing and supplier development.

The current shortcomings in the implementation of the Supply Chain Management Policy are constantly addressed. Council's SCM policy fully complies with the requirements of the SCM Regulations, and is ideally set to ensure that procurement processes of the municipality is fair, equitable, transparent, competitive and cost effective and comply with the prescriptions of the Municipal Finance Management Act.

***“NB: FROM THE 01 JULY 2016 EMTHANJENI LOCAL MUNICIPALITY HAS STARTED IMPLEMENTING THE USE OF CENTRAL SUPPLIERS DATABASE”. AND ON THE 01 APRIL 2017 EMTHANJENI LOCAL MUNICIPALITY HAS STARTED WITH THE IMPLEMENTATION OF NEW PPPFA REGULATIONS.***

**I. VISSER  
MUNICIPAL MANAGER**



# **ANNEXURE A**

**SCM DEVIATION REGISTER - JULY 2019**

**NO DEVIATION FOR THIS MONTH**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
			-		-	-
<b>CHECKED BY:</b>	<b>M LUDWICK</b>			<b>DATE: 13 August 2019</b>		
	<b>CHIEF FINANCIAL OFFICER</b>					
<b>APPROVED BY:</b>	<b>I VISSER</b>			<b>DATE: 13 August 2019</b>		
	<b>MUNICIPAL MANAGER</b>					

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**SCM DEVIATION REGISTER - AUGUST 2019**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
03/08/2019	D1020916	Ubertech	28 195,70	Renewal of the anti-virus software license kaspersky	28 195,70	
08/08/2019	D1020868	Spectrum Communication	18 037,75	The only service provider that services the telemetry system as well as installation is urgent for maintainance	18 037,75	
08/08/2019	D1020867	Spectrum Communication	24 012,00	The only service provider that services the telemetry parts	24 012,00	
28/03/2019	D1020582	De aar Bande & Gas	8 880,00	Only service provider can provide with quote of tyres. Fit IT has closed Municipality's account	8 880,00	
13/08/2019	D1020865	Arch Actuarial	15 640,00	The service provider has provided acturial valuations for post retirement thus,required annually for completion of AFS	15 640,00	
22/08/2019	D1020919	C.A.T Motors	7 744,36	The vehicle is still in warranty in order to retain this the vehivle must be serviced at C.A.T motors	7 744,36	
22/08/2019	D1020915	Ubertech	3 030,25	Only one quote responded on the request of quote of microsoft windows 10 professional 64 Bit-DVD	3 030,25	
27/08/2019	D1020920	Super Armature Winding	20 073,79	The vehicle must be dismantle so that we can issue the quote on damaged parts	20 073,79	
			<b>125 613,85</b>		<b>125 613,85</b>	<b>-</b>
<b>CHECKED BY: M LUDWICK</b>				<b>DATE: 12 September 2019</b>		
<b>CHIEF FINANCIAL OFFICER</b>						
<b>APPROVED BY: I VISSER</b>				<b>DATE: 12 September 2019</b>		
<b>MUNICIPAL MANAGER</b>						

**SCM DEVIATION REGISTER - SEPTEMBER 2019**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
19/08/2019	D1020983	Polana Furniture/Swop Shop	8 775,00	Three quotes were received only Prestige quote according to the specification and they have all the items we need		8 775,00
11/09/2019	D1020972	Astrom and Alarms	5 197,89	The only service provider locally that can do maintenance of alarm system	5 197,89	
11/09/2019	Req. no. 54762	Funchal	5 335,35	Only service provider around our area that can supply our municipality with newspaper and magazine for our Libraries	5 335,35	
11/09/2019	D1020971	Astrom and Alarms	2 516,09	The only service provider locally that can do maintenance of alarm system	2 516,09	
12/09/2019	D1020974	Spectrum Communications	19 739,75	They designed this system and are the only ones who can do maintenance thereof	19 739,75	
12/09/2019	D1020973	Super Armature	9 037,88	Electric Vehicles must first be dismantled before quoting	9 037,88	
12/09/2019	D1021050	Prestige Hardware	26 626,00	Three quotes were received only Prestige quote according to the specification and they have all the items we need		26 626,00
13/09/2019	D1020969	Fulcrum Technology	16 128,25	Only service provider quote on clifford testing machine without calibration TVS were not allowed to perform vehicle tests	16 128,25	
20/09/2019	Req. no. 58327	UTD HR Consulting	15 640,00	Service provider that developed the organisation structure for Emthanjeni Municipality	15 640,00	
27/09/2019	D1020980	Trek in Paneelklopper	5 000,00	Excess fee claim for repair vehicle CHJ539NC	5 000,00	
27/09/2019	D1020981	Trek in Paneelklopper	2 500,00	Excess fee claim CHJ539NC	2 500,00	
			<b>116 496,21</b>		<b>81 095,21</b>	<b>35 401,00</b>
<b>CHECKED BY: M LUDWICK</b>				<b>DATE: 09 October 2019</b>		
<b>CHIEF FINANCIAL OFFICER</b>						
<b>APPROVED B I VISSER</b>				<b>DATE: 09 October 2019</b>		
<b>MUNICIPAL MANAGER</b>						

**SCM DEVIATION REGISTER - OCTOBER 2019**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
03/09/2019	D1020966	Siyazingcangathi	77 250,00	During heavy storm the transformer was damage the service provider supply and deliver 50kva to the site (Hanover) we could'nt advertise notice because of emergency coghtsta wanted to pump sewerage before beneficiaries can be allocated	77 250,00	
17/09/2019	D1021119	Autento	2 356,70	Only service provider that has provide us with annual data logger website maintenance and data storage	2 356,70	
10/10/2019	Req. no. 56832	Prestige Hardware	21 643,20	Three quotes was received the cheapest quote of Cashbuild don't have all the material on specification		21 643,20
10/10/2019	D1021120	Super Armature Winding	29 111,67	The service provider must dismantle electrician vehicle before providing qoutes for broken parts	29 111,67	
10/10/2019	D1021121	Super Armature Winding	17 459,00	The service provider must dismantle electrician vehicle before providing qoutes for broken components	17 459,00	
15/10/2019	D1021089	Ubertech	27 600,00	only service provider that can correct billing information on the financial system	27 600,00	
			<b>175 420,57</b>		<b>153 777,37</b>	<b>21 643,20</b>
<b>CHECKED BY: JP JACK</b>						
<b>(ACTING )CHIEF FINANCIAL OFFICER</b>						
<b>DATE: 11 November 2019</b>						
<b>APPROVED BY I VISSER</b>						
<b>MUNICIPAL MANAGER</b>						
<b>DATE: 11 November 2019</b>						

**SCM DEVIATION REGISTER - NOVEMBER 2019**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
21/11/2019	EB072541	PBSA Proprietary Limited	14 517,44	The only service provider requested quote and they repair PBSA folding machine	14 517,44	
21/11/2019	EB072515	Jicama 167 Ltd	29 186,92	The Municipality is hiring	29 186,92	
28/11/2019	D1021198	De Aar Bande	5 520,00	The only service provider that services the telemetry parts	5 520,00	
			<b>49 224,36</b>		<b>49 224,36</b>	<b>-</b>
<b>CHECKED BY: JP JACK</b>				<b>DATE: 13 December 2019</b>		
<b>(ACTING )CHIEF FINANCIAL OFFICER</b>						
<b>APPROVED B I VISSER</b>				<b>DATE: 13 December 2019</b>		
<b>MUNICIPAL MANAGER</b>						



**SCM DEVIATION REGISTER - DECEMBER 2019**

**NO DEVIATION FOR THIS MONTH**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
			-		-	-
<b>CHECKED BY:</b>	<b>JP JACK</b>			<b>DATE: 14 January 2019</b>		
	<b>(ACTING )CHIEF FINANCIAL OFFICER</b>					
<b>APPROVED BY:</b>	<b>I VISSER</b>			<b>DATE: 14 January 2019</b>		
	<b>MUNICIPAL MANAGER</b>					

**SCM DEVIATION REGISTER - JANUARY 2020**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
02/12/2019	D1021241	Super Armature Winding	12 018,65	The pipe must be dismantled before issue a quote for parts. The repair of this pipe is important its suppliers water to Hanover	12 018,65	
06/01/2020	D1021244	Tri-Lectro	79 902,00	The service provider must dismantling 10MVA transformer. We discovered that the whole interior needs to be regasket cause we picked up carbon trazines on jug inside	79 902,00	
06/01/2020	D1021245	Tri-Lectro	55 575,19	The service provider must purify the oil in the main tank of transformer 10MVA disc to purify gas detector	55 575,19	
09/01/2020	D1021242	Spectrum Communication	20 979,45	They designed this system and are the only ones who can do maintenance thereof	20 979,45	
15/01/2020	D1021247	Ignite Advisory	26 500,00	The municipality makes use of the software solution provided by Ignite to administer the performance management system (section 72)	26 500,00	
16/01/2020	D1021246	Gijima Technology	45 200,00	Three quotes were received the cheapest is not recognised to render for the Cogta competency assessment of senior managers		45 200,00
27/01/2019	D1021255	Super Armature	20 070,49	The service provider must dismantle electrician vehicle before providing quotes for parts	20 070,49	
27/01/2019	D1021254	Woodrow Engineering	1 727,30	The service provider must provide contactor because we can't monitor level of the dam	1 727,30	
27/01/2019	D1021253	AAS Operations	29 387,81	The service provider must provide us with HTH that is important for drinking water to chlorinate	29 387,81	
			<b>291 360,89</b>		<b>246 160,89</b>	<b>45 200,00</b>
<b>CHECKED BY:</b> JP JACK				<b>DATE:</b> 07 February 2020		
(ACTING )CHIEF FINANCIAL OFFICER						
<b>APPROVED BY:</b> I VISSER				<b>DATE:</b> 07 February 2020		
MUNICIPAL MANAGER						

**SCM DEVIATION REGISTER - FEBRUARY 2020**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
28/01/2020	D1021300	Tri-Lectro	12 779,03	The service provider was on site for locating faulty join cable	12 779,03	
31/01/2020	D1021267	Trek in Midas	2 584,53	Excess insurance claim for repairing ford ranger that was on accident	2 584,53	
05/02/2020	D1021303	Tri-Lectro	48 399,03	RMU in waterdal was damaged by vandalism(copper theft)since it's a radial feed feed we couldn't get three quotations, electricity was off and we had a lot of complaints after hours	48 399,03	
05/02/2020	D1021303	Tri-Lectro	32 094,66	Earthing (copper conductor) was stolen transformer and the was no protection unfortunately the service provider was on site to do this function	32 094,66	
07/02/2020	D1021266	Ubertech	15 467,50	The office of the mayor have a network challenge ubertech is the company that maintain municipal network	15 467,50	
07/02/2019	Req. no. 57371	Karoo Travel Dimension	2 200,00	Mayoral tournament team borrow gazibo from this supplier,the wind damage it and the supplier demand payment for fixing it	2 200,00	
10/02/2020	EB072773	Inlexso Innovative Legal Solutions	13 475,00	The matter currently in the labour court transcription needed in order to finalize in order to finalize it:Transcription Emthanjeni Municipality Imatu and others	13 475,00	
10/02/2020	D1021268	Ubertech	4 881,75	The service provider has implemented special note book for Municipal Manager	4 881,75	
17/02/2020	D1021337	Precision Hydraulics	5 198,00	Vehicle needed to be taken to service provider to check fault finding and quote Repair on cherry picker CPJ 216 NC	5 198,00	
24/02/2020	EB072771	Bishop Lodge	2 290,00	Only service provider assist on quote	2 290,00	
			<b>139 369,50</b>		<b>139 369,50</b>	<b>-</b>
<b>CHECKED BY: M F MANUEL</b>				<b>DATE: 10 March 2020</b>		
<b>CHIEF FINANCIAL OFFICER</b>						
<b>APPROVED BY: I VISSER</b>				<b>DATE: 10 March 2020</b>		
<b>MUNICIPAL MANAGER</b>						

**SCM DEVIATION REGISTER - MARCH 2020**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
09/03/2020	D1021355	Payday Software	23 192,00	HR training users conducted by the software service provider	23 192,00	
10/03/2020	EB072839	PBSA	6 108,74	The service provider repair folding/envelope inserter machine and they were manufacture of this and must be dismantle before given quote	6 108,74	
16/03/2020	D1021369	Hemmops Kraal Familie Trust	6 996,60	Locally there's only one service provider for excavator to hire that was available. The company was excavating sewerage to sewerage pipe at the Merino Park	6 996,60	
17/03/2020	Req. no.	Early Work 282 (Pty)Ltd	4 165,25	Annual report for 2020/201 which was normally done as agreement with the electronic telephone line system with the post office	4 165,25	
					<b>40 462,59</b>	<b>-</b>
<b>CHECKED BY: M F MANUEL</b>				<b>DATE: 30 April 2020</b>		
<b>CHIEF FINANCIAL OFFICER</b>						
<b>APPROVED B I VISSER</b>				<b>DATE: 30 April 2020</b>		
<b>MUNICIPAL MANAGER</b>						

**SCM DEVIATION REGISTER - APRIL 2020**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
30/03/2020	Cheque no.	BKB	6 731,73	The service provider assist us on procuring of disinfectant bottles for fumigation for safety of workers during Covid 19	6 731,73	
09/04/2020	EB072886	Ribilwa Trading	225 383,00	To comply with lockdown by President we could'nt advertise notice for procuring Covid 19 protective product equipment for essential workers		225 383,00
14/04/2020	EB072887	Snaar Enterprise	217 950,00	The service provider provide us with disinfectant and sanitizer product during Covid 19 We couldn't comply with SCM regulations of advertising notice because of this pandemic, since the product were needed by essential workers	217 950,00	
14/04/2020	EB072885	Gem View Trading 5	69 000,00	The service provider provide us with PPE's products for protection of essential workers during Covid 19	69 000,00	
15/04/2020	D1021377	Spectrum Communication	89 778,00	Spectrum Communication are the only service provider that can work on the system Telemetry machine was build by this company	89 778,00	
15/04/2020	Req. no. 58816	Woodrow Engineering Sales	28 002,50	The company has component for panelboard and they are supplier of those parts	28 002,50	
28/04/2020	EB072930	Novels Outfitters and Shoe Store	17 500,00	Only service provider provide us quotes of masks during lockdown Covid 19	17 500,00	
			<b>654 345,23</b>		<b>428 962,23</b>	<b>225 383,00</b>
<b>CHECKED BY: M F MANUEL</b>				<b>DATE: 07 May 2020</b>		
<b>CHIEF FINANCIAL OFFICER</b>						
<b>APPROVED BY: I VISSER</b>				<b>DATE: 07 May 2020</b>		
<b>MUNICIPAL MANAGER</b>						

**SCM DEVIATION REGISTER - MAY 2020**

(No Deviations)

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
					-	-
<b>CHECKED BY:</b>	<b>M F MANUEL</b>			<b>DATE: 12 June 2020</b>		
	<b>CHIEF FINANCIAL OFFICER</b>					
<b>APPROVED BY:</b>	<b>I VISSER</b>			<b>DATE: 12 June 2020</b>		

**SCM DEVIATION REGISTER - JUNE 2020**

DATE	CHEQUE / ORDER NO.	SUPPLIER	AMOUNT	REASON FOR DEVIATION	Summary of Quotations	
					One	Two
02/06/2020	D1021460	Ubertech	11 981,85	Only Ubertech provide us with quote on wireless network upgrading main building,Hennies do not want to give us quote as their SARS matters are non-compliant and Novels they don't supply with server services	11 981,85	
02/06/2020	D1021461	Ubertech	2 242,50	Only Ubertech provide us with quote open server internet installation,Hennies do not want to give us quote as their SARS matters are non-compliant and Novels they don't supply with server services	2 242,50	
02/06/2020	Cheque no 68707	Checkers	2 264,39	Two quotes were providede Shoprite is the cheapest but doesn't have all the items we needed on stock and we took second supplier which is Checkers		2 264,39
12/06/2020	EB072968	Thys Wyand Fortuin	5 700,00	The only service provider that was available and the building staff of the municipality was on lockdown and the office need to be repaired	5 700,00	
23/06/2020		Thys Wyand Fortuin		The service provider repair the roof that was leaking when it's raining and Health and Safety rap raised this issue with health reason. Repair and fix of the Isolation room for Covid 19 case They were the only provider were available to repair the above mention in case of short period	9 500,00	
25/06/2020	D1021479	Van Work	149 600,00	The service provider provide transformers at pump no.10 in Hanover were struck by lightning . These pump was not in use ever since and the new housing project caused a higher water demand because they avoid risk of running out of water	149 600,00	
26/06/2020	D1021478	Arch Actuarial	16 675,00	On this service provider no audit exceptions were received. Arch Actuarial consulting assiste the municipality and interacted with external auditors to resolve audit exceptions		16 675,00
29/06/2020	D1021481	Media 24	2 047,00	Only service provide received for advertising on national newspaper	2 047,00	
29/06/2020		Ignite Advisory	113 740,00	Due to single provider and SDBIP quotation being late we the need to urgent need finilize SDBIP. PA and SDBIP data loading	113 740,00	
			<b>304 250,74</b>		<b>294 811,35</b>	<b>18 939,39</b>
<b>CHECKED BY:</b>	<b>M F MANUEL</b>			<b>DATE: 07 July 2020</b>		
	<b>CHIEF FINANCIAL OFFICER</b>					
<b>APPROVED BY:</b>	<b>I VISSER</b>			<b>DATE: 07 July 2020</b>		