



# MUNISIPALITEIT MUNICIPALITY UMASIPALA

Meld asb. in u antwoord / In your reply please quote

Verwysing / Reference 8/1/B

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Privaatsak/Private Bag X2

CLANWILLIAM

8135

03 April 2017

## MEMORANDUM TO THE EXECUTIVE MAYOR: MR J BARNARD

### SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 3rd QUARTER: 01 JANUARY 2017 – 31 MARCH 2017

#### A. 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 of this report to the mayor in terms of Section 6(3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ended March 2017.

#### B. BACKGROUND

The report serves as compliance to paragraph 6(3) of the Supply Chain Management Regulations on the Supply Chain Management Policy of the Cederberg Municipality for the quarter under review.

The Supply Chain Management Policy was initially adopted on 10 July 2007 and last reviewed on 29 March 2017. It is compliant and consistent with National Treasury's prescripts that are being published from time to time.

#### B. COMPLIANCE PROGRESS

##### COMMITTEE SYSTEM FOR COMPETITIVE BIDS (TENDERS)

The below mentioned committees are established and are functioning fully according to Council's Supply Chain Management Policy and the Supply Chain Regulations. The committees are as listed below:

- Bid Specification Committee (BSC)
- Bid Evaluation Committee (BEC)
- Bid Adjudication Committee (BAC)



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**For the quarter under review, the Bid Adjudication Committee successfully approved three (3) tenders. The awards are as listed below:**

Awarded Date	Contract Reference Number	Contract Description	Successful Bidder	Awarded Amount
08 March 2017	CED 09/2016-2017	Supply, delivery, installation and maintenance of office automation equipment	CJJ Business Solutions (Pty) Ltd	R476 892.00
08 March 2017	CED 10/2016-2017	Supply and delivery of a ldv, lwb hi-rider super cab bakkie Endering of professional consulting engineering and architectural services for the design, development, documentation, project management and implementation of the project for the upgrading of the clanwilliam sport grounds in clanwilliam	Perdeberg Commercial	R317 151.99
15 March 2017	CED 08/2016-2017		Nadeson Consulting Engineers	R548 625.00

Rig alle korrespondensie aan die Munisipale bestuurder / Address all correspondence to the Municipal manager.



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## SECTION 32 AWARDS

In terms of Section 32 of the SCM Regulations may the accounting officer procure goods and services under contracts secured by other organs of state, but only if:

- The contract has been secured by that organ of state by means of a competitive bidding process applicable to that organ of state;
- There is no reason to believe that such contract was not validly procured;
- There are demonstrable discounts or benefits to do so;
- That other organ of state and the provider have consented to such procurement in writing

For the quarter under review, the Municipality approved one (1) section 32 award. The award are as listed below:

### **Tender Nr W11032– DEPARTMENT OF WATER & SANITATION**

Service Providers for Hydrogeological Consulting Services in South Africa (National Term Contract)

### **JG AFRIKA (PTY) LTD - HOURLY RATES**

## TENDERS EVALUATED ON PERFORMANCE

Suppliers are evaluated on work performed or goods supplied for functionality, quality and performance. To evaluate the supplier a document is prepared and issued, in respect of the quarter under review, to the relevant official who initiated the acquisition. Reports is attached for each vendor.

DEPARTMENT	TENDERS (3RD QUARTER)
COMMUNITY SERVICES	1
CORPORATE SERVICES	7
FINANCIAL SERVICES	8
ENGINEERING & PLANNING SERVICES	0
MUNICIPAL MANAGER OFFICE	1

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**Quality of performance:**

The evaluation is objective and based on ten performance areas as indicated in the evaluation matrix below. The contract manager is responsible for the evaluation.

<b>Performance monitoring area</b>	<b>Importance of monitoring area</b>	<b>Compliance</b>	<b>Non - compliance</b>
On time delivery achieved on goods, works or services received	Reliability		
Order fill rate for goods, works or services received	Reliability		
Quality of product, packaging, labelling and documentation	Reliability)		
Price proficiency ( ability to offer acceptable pricing)	Cost performance		
Delivery / Shipping cost	Cost performance		
Order lead time ( period between order date and delivery)	Cost performance		
Speed in dealing with requests for corrective action	Responsiveness		
Product range (numbers of products offered)	Responsiveness		
Availability of goods and services	Flexibility		
Capacity to meet increases in demand	Flexibility		

**Improvement and/or deterioration of supplier performance.**

Because of the procurement process, the municipality does not work with the same suppliers every year. Although there may be repetition of some, new suppliers are constantly entering into the process.

To achieve better results officials are encouraged to engage with poor performing suppliers to capacitate better performance. Proper contract management will reduce unnecessary performance problems.

# DEVIATIONS

Deviations were reported on a monthly basis. The deviations for the month of January 2017 was as follow:

CEDERBERG MUNICIPALITY							
DEVIATION REPORT 2016-2017							
JANUARY 2017							
(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 works of art or historical objects where specifications are difficult to compile; (iv) acquisition of animals for zoos; or (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;							
TREASURY / FINANCE							
ORDER NO	SUCCESSFUL TENDERER	REASON	DEVIATION CATEGORY	DEVIATION APPROVED BY MM	AMOUNT	OTHER QUOTES	VOTE
00026654	FJG RETIEF / NEORICK	Training of users of the NEOMET system created by NeoRisk software solutions. NeoMet is a system used to assist with the uploading of water and electrical readings onto the PROMIS system for billing.	SECTION 3(1)(a)(v)	YES (G MATTHYS)	R 14 897.00	NONE	311 440 4463
					<b>R 14 897.00</b>		
ENGINEERING PLANNING SERVICES							
ORDER NO	SUCCESSFUL TENDERER	REASON	DEVIATION CATEGORY	DEVIATION APPROVED BY MM	AMOUNT	OTHER QUOTES	VOTE
00026622	DE VLEI DIENSTASIE	It was impractical and impossible to follow the official procurement process due to the difficulty in determining the repair cost of the engine (CAR 12541), therefore requiring a strip and quote.	SECTION 3(1)(a)(v)	YES (G MATTHYS)	R 59 738.30	NONE	674 380 3833
26632, 00026610, 00026604 & 1022233	SI SAM CIVIL CONSTRUCTION	Rental of digger/loader for 14 days. Si Sam Civil Construction was the only supplier that submitted a quotation. The Municipal digger/loader is faulty and it is not viable to repair.	REGULATION 17	YES (G MATTHYS)	R 54 891.00	NONE	654 380 3813
00026582	WCC CABLES	It was impractical and impossible to follow the official procurement process because the Augsburg area in Clanwilliam including a sewerage pump station was without electricity due to a 3.3kv cable that was damaged on Wednesday 21/12/16 by a fire in the Jan Davelaar. Most suppliers already closed down and it was necessary to retrieve the cable asap to restore the power.	SECTION 3(1)(a)(v)	YES (G MATTHYS)	R 6 316.50	NONE	694 380 3809
1022233	SI SAM CIVIL CONSTRUCTION	It was impractical and impossible to follow the official procurement process because water provision was at risk for the Elands Bay Community. The Pipe installation was done by Penny Farthing Engineers and they applied pipe material which is not familiar to the Cederberg technical officials. The pipe burst on two occasions on different parts of the pipe line. Amongst the other risks, the water losses as a result of the incident were huge as the water main feeder pipe line burst. The repair of the pipe line required new technology skills. The provision and normalisation of water provision was critical to the community members.	SECTION 3(1)(a)(v)	YES (N SMIT - Acting Municipal Manager)	R 38 178.60	NONE	
					<b>R 159 124.40</b>		
<b>TOTAL AMOUNT</b>					<b>R 174 021.40</b>		

Deviations were reported on a monthly basis. The deviations for the month of February 2017 was as follow:

CEDERBERG MUNICIPALITY							
DEVIATION REPORT 2016-2017							
FEBRUARY 2017							
(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 works of art or historical objects where specifications are difficult to compile;							
(iv) acquisition of animals for zoos; or							
(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;							
<b>TREASURY / FINANCE</b>							
ORDER NO	SUCCESSFUL TENDERER	REASON	DEVIATION CATEGORY	DEVIATION APPROVED BY	AMOUNT	OTHER QUOTE	VOTE
00026820	FJG RETIEF / NEORICK	Training in NeoLMS system	36(1)(a)(i)	YES (E.ALFRED)	R 7 829.50	None	311 440 4555
00026779	PAYDAY SOFTWARE SYSTEM	Training Tax Legislative Update Symposium	36(1)(a)(i)	YES (E.ALFRED)	R 15 594.00	None	511 440 4485
					<b>R 23 423.50</b>		
<b>ENGINEERING PLANNING SERVICES</b>							
ORDER NO	SUCCESSFUL TENDERER	REASON	DEVIATION CATEGORY	DEVIATION APPROVED BY MM	AMOUNT	OTHER QUOTES	VOTE
00026951	SI SAM CIVIL CONSTRUCTION	Hire of digger loader-Sewage pipe burst at Clan Hills that needed to be opened urgently	SECTION 36(1)(a)(v)	YES (G.MATTHYS)	R 4 617.00	None	642 380 3811
00026923+0 0026924	TRANSTECH	Workshop Strip & Quote:Due to difficulty in determining the repair cost.	SECTION 36(1)(a)(v)	YES (G.MATTHYS)	R 34 344.22	None	674 380 3833
00026922	UD TRUCKS	Workshop Strip & Quote:Due to difficulty in determining the repair cost.	SECTION 36(1)(a)(v)	YES (G.MATTHYS)	R 6 671.86	None	642 380 3833
00026916	GW TRAUTMANN	Remove & Installation of Borehole Pump: Citrusdal	SECTION 36(1)(a)(v)	YES (G.MATTHYS)	R 6 885.60	None	654 380 3805
00026915	D&D PUMPS	Pumpstation	SECTION 36(1)(a)(v)	YES (G.MATTHYS)	R 40 891.80	None	654 380 3805
00026797	MACSTEEL FLUID CONTROL	Replace actuator control valve: Clanwilliam	36(1)(a)(i)	YES (G.MATTHYS)	R 21 408.97	None	654 380 3813
					<b>R 114 819.45</b>		
<b>TOTAL AMOUNT</b>					<b>R 138 242.95</b>		

Deviations were reported on a monthly basis. The deviations for the month of March 2017 was as follow:

CEDERBERG MUNICIPALITY							
DEVIATION REPORT 2016-2017							
MARCH 2017							
<p>an emergency;</p> <p>duced or available from a single provider only;</p> <p>istorical objects where specifications are difficult to compile.</p> <p>n of animals for zoos; or</p> <p>ical or impossible to follow the official procurement processes.</p>							
ENGINEERING PLANNING SERVICES							
ORDER NO	SUCCESSFUL TENDERER	REASON	DEVIATION CATEGORY	DEVIATION APPROVED BY MM	AMOUNT	OTHER QUOTES	VOTE
00027139	BRAND NISSAN	30 000KM SERVICE.CAR12876.Under GUARANTEE	SECTION 36(1)(a)(v)	YES (G.MATTHYS)	R 2 847.44	NONE	694 380 3833
00026980	JJ PUMPS ENGINEERING	EMERGENCY REPAIRS TO WATER TRUCK.CAR1442.STRIIP & QUOTE	SECTION 36(1)(a)(v)	YES (E.ALFFRED)	R 36 960.00	NONE	654 380 3833
00027001							
00027002	JB'S TRUCKS / UD TRUCKS	REPAIRS TO CAR59255.STRIIP & QUOTE	36(1)(a)(v)	YES (E.ALFFRED)	R 15 719.31	NONE	642 380 3833
00027003							
00027015	SI SAM CIVIL CONSTRUCTION	SUPPLY 45KW BOREHOLE MOTOR.CITRUSDAL,POSSIBLE INTERRUPTION OF ESSENTIAL SERVICES	SECTION 36(1)(a)(v)	YES (A.SWARTS)	R 60 613.80	NONE	654 750 7522
00027039	SPECTRUM COMMUNICATIONS	REPAIRS TO TELEMETRY.LAMBERTSBAY AND ELANDSBAY	SECTION 36(1)(a)(l)	YES (E.ALFFRED)	R 22 522.98	NONE	694 380 3809
01022763	JH VAN ZYL BOERDERY	EMERGENCY REPAIRS AT LEIPOLDTVILLE - WATER PIPE BURST INTERRUPTION OF ESSENTIAL SERVICES	SECTION 36 (1) (a) (i)	YES (N SMIT)	R 22 800.00	NONE	
01022871	JUNO CORP	EMERGENCY REPAIRS IN CITRUSDAL SEWERAGE OVERFLOWED DURING THE FESTIVE SEASON	SECTION 36 (1) (a) (i)	YES (G MATTHYSE)	R 78 916.50	NONE	
01022348	SI SAM CIVIL CONSTRUCTION	It was impractical and impossible to follow the official procurement process because water provision was at risk for the Elands Bay Community. Amongst the other risks, the water losses as a result of the incident were huge as the water main feeder pipe line burst. The provision and normalisation of water provision was critical to the community members.	SECTION 36 (1) (a) (i)	YES - G MATTHYSE	R 20 950.35	NONE	
01022366	JJ PUMPS ENGINEERING	EMERGENCY REPAIRS - TWO AERATORS BROKE DOWN OF THE SEWER NETWORK AND HAS FALLEN INTO THE BASIN AND THE ENTRE NETWORK WAS DISFUNCTIONAL	SECTION 36 (1) (a) (i)	YES - G MATTHYSE	R 83 420.00	NONE	
01022640	JJ PUMPS ENGINEERING	EMERGENCY REPAIRS - BEARINGS OF THE SERVICE UNITS WAS DAMAGED DURING THE BREAK DOWN OF THE AERATORS AND URGENTLY NEEDED TO BE REPLACED	SECTION 36 (1) (a) (i)	YES - G MATTHYSE	R 72 600.00	NONE	
					R 417 350.38		
<b>TOTAL AMOUNT</b>					<b>R 417 350.38</b>		

Reports of all awards above R100 000 have been submitted to Provincial Treasury on a monthly basis in terms of the Circular No. 19 of 2008.

**FINANCIAL IMPLICATIONS**

None

**RECOMMENDATION**

That the report to the Mayor in terms of Section 6(3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ended March 2017 be approved.

**ACCOUNTANT: SUPPLY CHAIN MANAGEMENT  
MS J MAARMAN**

**RECOMMENDED BY: CHIEF FINANCIAL OFFICER**

DATE: 03 April 2017

MR E ALFRED: .....

**APPROVED BY: MUNICIPAL MANAGER**

DATE:.....

MR GF MATTHYSE: .....

**SUBMITTED TO EXECUTIVE MAYOR**

DATE: 07-04-2017...

MR J BARNARD: .....