



SUPPLY CHAIN MANAGEMENT POLICY IMPLEMENTATION REPORT

District:

Xhariep

Name of Municipality:

Letsemeng

Name of Municipal Entity/ Entities:

None

Reporting Date:

15 Oct 2018

Contact Information

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SUPPLY CHAIN MANAGEMENT POLICY IMPLEMENTATION REPORT

ACCOUNTING OFFICER'S LETTER

for the quarter ended
2018-09-31

THE MAYOR

The attached report is submitted in line with Section 6 of Supply Chain Regulations which states that the Accounting Officer of the Municipality must within 10 days of the end of each quarter, submit a report on the implementation of SCM policy to the Mayor.

Based on the review performed, I can conclude that the contents of the report are accurate and represent the activities of the Supply Chain Management unit of the Municipality fairly

Yours faithfully



Chief Financial Officer

Date:



Accounting Officer/ Municipal Manager

Date:

SUPPLY CHAIN MANAGEMENT

District:

Xhariep

Municipality:

Letsemeng

Reporting Date:

15 Oct 2018

ESTABLISHMENT OF SCM

Area	Ref.	Background	STRUCTURE	FILLED	VACANT	COMMENTS
1	SCM Reg 7	Is there a dedicated and functional supply chain management (SCM) unit?	Yes, They functional supply chain management unit. It exist but consist of 3 permanent employees the SCM Manager, Supply chain practitioner and the procurement clerk	The SCM Manager position was filled on the 01 December 2015 and The SCM Practitioner 19 June 2017, The Procurement Clerk 01 June 2017	1	Capacity in supply chain management unit has been addressed two employee has been appointed.
Area	Ref.	Background	REVIEWED (YES/NO)	DATE OF REVIEW	IF NOT REVIEWED, REASONS THEREOF	COMMENTS
2	SCM Reg 3	Reviewed and approved SCM policy in line with National Treasury's Model Policy.	Yes the policy has been approved and adopted by council on the 28 of June 2018 and it was implemented on the 1st of July 2018	28-Jun-18	N/A	None

DEMAND MANAGEMENT

Area	Ref.	Background	IS THERE AN APPROVED PROCUREMENT PLAN IN PLACE (Y/N)	DATE OF APPROVAL	IF NOT, REASONS THEREOF	COMMENTS
3	Circular 62	Procurement plan for the current financial year. In respect of the procurement of goods, services and infrastructure projects which exceed R200 000 (all applicable taxes included) approved by the accounting officer.	Yes	01/08/2018	N/A	None

ACQUISITION MANAGEMENT

Area	Ref.	Background	LAST REVIEW DATE	NEXT REVIEW DATE	NUMBER OF REGISTERED SUPPLIERS	COMMENTS
4	SCM Reg14	Functional list of accredited prospective providers of goods and services maintained and used for verbal quotations and formal written price quotations.	No longer use the list of prospective supplier but using the central supplier database (CSD)	N/A	N/A	100% of Suppliers including SMMEs in Letsemeng are registered on CSD. The process is still ongoing to the new service provider.

BID COMMITTEES

Area	Ref.	Background	BID COMMITTEE IN PLACE (Y/N)		NAMES OF MEMBERS		DESIGNATIONS	COMMENTS
	5	SCM Reg 27	Functional ad hoc Bid Specification Committees (BSC) in operation and composed of one or more officials of the municipality, preferably the manager responsible for the function involved.	Yes		Christinah Moloi, Mpho Tsoene, Lebogang Leeuw, Sphive Phithi	Assets Practitioner, Senior PMU Technician, Skills development Officer, LED Officer.	Only one chairperson and three members has been appointed. The new Specific Committee were appointed on the 01 July 2018
	6	SCM Reg 28	Bid Evaluation Committee appointed composed of at least one SCM practitioner of the municipality.	Yes		Leonard Manwele, Mpho Tsoene, Sekgomoso Owelani, Lerato Singonzo, Andrew Visagie, Maedward Phiri	SCM Manager (Chairperson), PMU Technician (Member), HR Manager (Member), Revenue Manager (Member), DP Manager (Member), SCM Practitioner (Member)	Evaluation Committee consists of Chairperson and 5 Members. The new Evaluation Committee were appointed on the 1 July 2018
	7	SCM Reg 29	Bid Adjudication Committee appointed composed of at least four senior managers of the municipality.	Yes		Sihembele Too, Chere Makhoaba, Tletsit Deeuw, Success Tsikane	CFO (Chairperson), Director Community Services (Member), Director Corporate services (Member), Acting Technical Service Director (Member)	4 Senior Managers (Directors) has been appointed for adjudication.
CIDB								
Area	Ref.	Background	REGISTRATION WITH CIDB'S ITENDER (Y/N)		PROJECTS REGISTERED		IF NOT, REASONS THEREOF	COMMENTS
	8	CIDB Regulations, Regulation 18(1) & 18(1A)	Registration of construction works contracts above R200 000 in the CIDB register of projects.	NO		1. Turnkey Design, Refurbishment and upgrading of sports facilities in Koffiefontein/Dithlake, 2. Upgrading of 0.9 Road and Storm water in Luckoff	Project are Currently registered on CIDB	Project are Currently registered on CIDB
REGULATION 32 CONTRACTS								
Area	Ref.	Background	DESCRIPTION	SUPPLIER	AMOUNT	INSTITUTION	COMMENTS	
	9	M/MMA Reg 32	Procurement of goods and services under a contract secured by another organ of state.					
		None	None	None	None	None	None	
DEVIATIONS FROM PROCUREMENT PROCESSES								
Area	Ref.	Background	DESCRIPTION	SUPPLIER	AMOUNT	UPLOADING ON THE WEBSITE (Y/N)	COMMENTS	

	10	MFMA Reg 36	Deviations from the procurement processes approved by the accounting officer.						
	None	None	None	None	None	None	None	None	None
UNSOLICITED BIDS									
Area	Ref.	Background	DESCRIPTION	SUPPLIER	AMOUNT	REASONS	PUBLIC PARTICIPATION (Y/N)		
	11	MFMA Reg 37	If an unsolicited bid(s) has been considered was it because: - the product or service offered was a demonstrably or proven unique innovative concept; - will be exceptionally beneficial to, or have exceptional cost advantages for the municipality?	None	None	None	No		
DISPOSAL MANAGEMENT									
Area	Ref.	Background	ASSET(S) DISPOSED	REASON FOR DISPOSAL	DISPOSAL METHOD	COST PRICE	BENEFICIARY		
	12	MFMA Reg 40	Assets disposal. A List of all redundant and obsolete items are recorded and kept separately within the stores to be disposed.	Redundant and Obsolete	Auction	To be consolidated.	Employees and Community		
CONTRACT AND PERFORMANCE MANAGEMENT									
DISPUTES									
Area	Ref.	Background	CONTRACT NUMBER	SUPPLIER	NATURE	STATUS	OUTCOME		
	13	SCM Reg 50	Resolution of SCM related disputes.	None	None	None	No objections/complaints,or queries has been identified.		
ACTIVE CONTRACTS									
Area	Ref.	Background	DESCRIPTION	SUPPLIER	AMOUNT	AWARD DATE	EXPIRY DATE		
	14	MFMA Sec. 116	Contract management.						
	1								
	2		MIB INFRASTRUCTURE DEVELOPMENT JV ZALISILE MSEBENZ KOFIEONTIEN DITHLAKE SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS	MIB INFRASTRUCTURE DEVELOPMENT JV GAREPALEIWENG (PTY)LTD	12 957 249,84 473 726,00	03/08/2018 29/08/2018	8 MONTH ONCE OFF DELIVERY		
CONTRACT VARIATIONS									

Area	Ref.	Background	DESCRIPTION	SUPPLIER	AMOUNT	REASONS	PERCENTAGE
15	MFMA Circular 62	Expansion or variation of orders against the original contract restricted to: <ul style="list-style-type: none">- not more than 20% for construction related goods, services and/or infrastructure projects;- 15% for all other goods and/or services of the original value of the contract?	None	None	None	None	None
LOGISTICS MANAGEMENT							
Area	Ref.	Background	APPROVED LOGISTICS MANAGEMENT PROCEDURES IN PLACE (Y/N)	SUPPLIER	IF NOT REASONS THEREOF	COMMENTS	
16	MFMA Reg 39	Are there documented and approved SCM procedures for stores and warehouse management including: <ul style="list-style-type: none">- the setting of inventory levels,- placing of orders,- receiving and distribution of goods,- expediting orders?	N	None	Not yet Implemented	The advertisement was made to appoint the supplier to address the internal control and procedures for all the departments.	
UNAUTHORISED, IRREGULAR & FRUITLESS EXPENDITURE							
Area	Ref.	Background	DESCRIPTION		AMOUNT	BENEFICIARY/ SUPPLIER	TYPE OF PROHIBITED EXPENDITURE
17	MFMA Sec. 1	A register of unauthorised, irregular, fruitless and wasteful expenditure must be maintained for all transactions falling within the Uf category.					

IRREGULAR EXPENDITURE FOR JULY 2018

Voucher	Date	Payee	Amount	Amount Exc Va	IE	REASONS
			R 0.00	R 0.00		

FRUITLESS AND WASTEFUL EXPENDITURE FOR JULY 2018

Document N	Date	PAYEE	Description	Amount	FEW	REASON
69750	2018-07-19	WESBANK	INTEREST	R 163.84	Y	CASHFLOW PROBLEMS
69748	2018-07-19	ESKOM	INTEREST	R 998.64	Y	CASHFLOW PROBLEMS
69735	2018-07-12	MUNICIPAL WORKERS	INTEREST	R 405.97	Y	CASHFLOW PROBLEMS
69726	2018-07-05	ORANIE RIET	INTEREST	R 3 151.17	Y	CASHFLOW PROBLEMS
				R 4 719.62		

UNAUTHORISED EXPENDITURE FOR JULY 2018

VOUCHER N	DATE	DESCRIPTION	AMOUNT	UE	REASONS
			R 0.00		

IRREGULAR EXPENDITURE FOR AUGUST 2018

Voucher	Date	Payee	Amount	Amount Exc Va	IE	REASONS
69923	22/08/2018	PJ METAALWERK	R 36 800.00	R 32 000.00	Y	SUPPLIER NOT ON CSD
69931	30/08/2018	OVK		R 23 052.55	Y	SUPPLY CHAIN PROCESSES WERE NOT FOLLOWED
			R 36 800.00	R 55 052.55		

FRUITLESS AND WASTEFUL EXPENDITURE FOR SEPTEMBER 2018

Document N	Date	PAYEE	Description	Amount	FEW	REASON
69956	06/09/2011	ESKOM	INTERST PA	R 3,137.61	Y	FINANCIAL DIFFICULTIES
69974	11/09/2011	ESKOM	INTERST PA	R 11,467.59	Y	FINANCIAL DIFFICULTIES
69974	25/09/2011	ESKOM	INTERST PA	R 29,624.36	Y	FINANCIAL DIFFICULTIES
				R 44,229.56		

UNAUTHORISED EXPENDITURE FOR SEPTEMBER 2018

[illegible]

R 0.00