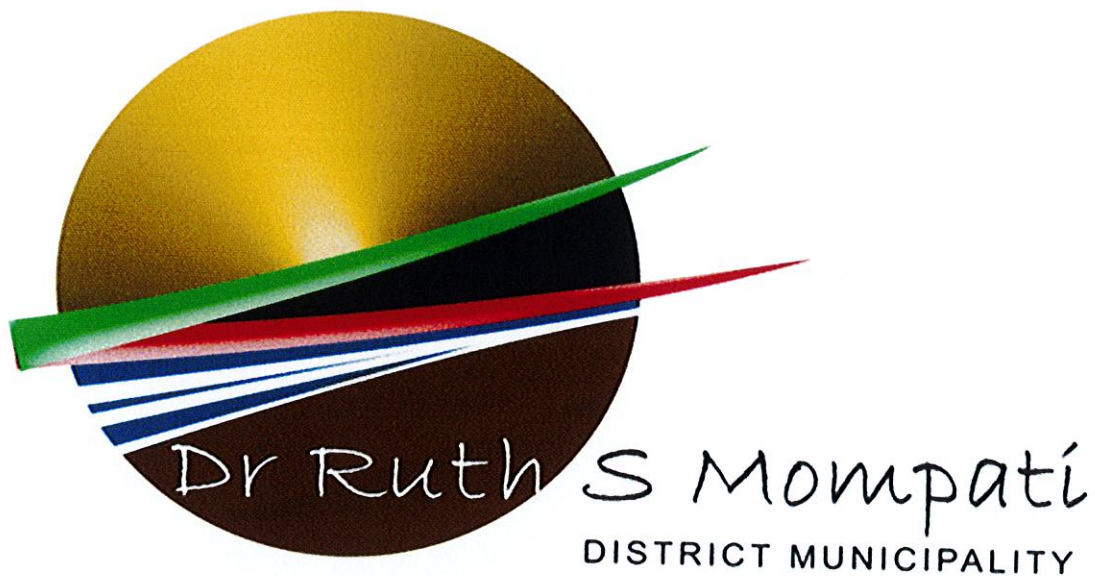


**REPORT ON THE IMPLEMENTATION OF THE SCM POLICY
DR RUTH SEGOMOTSI MOMPATI DISTRICT
MUNICIPALITY**



AS AT 30 SEPTEMBER 2019

Supply Chain Management Implementation Report prepared in line with the MFMA:
Supply Chain Management Regulation No 6(3).

PART A

1.1 Introduction and Background

According to SCM Regulation 3, a municipality is expected to review the implementation of the SCM policy on an annual basis. This review will enable the municipality to strengthen the internal controls. The reviewed SCM policy must include all the relevant SCM reforms and regulation. The Dr. Ruth S. Mompati District Municipality has last reviewed the SCM Policy in 28 February 2018 which was effective from the 01 July 2018.

1.2 Objective of the report

The objective of this report is to comply with Section 6 of the Municipal Supply Chain Regulations which states that:

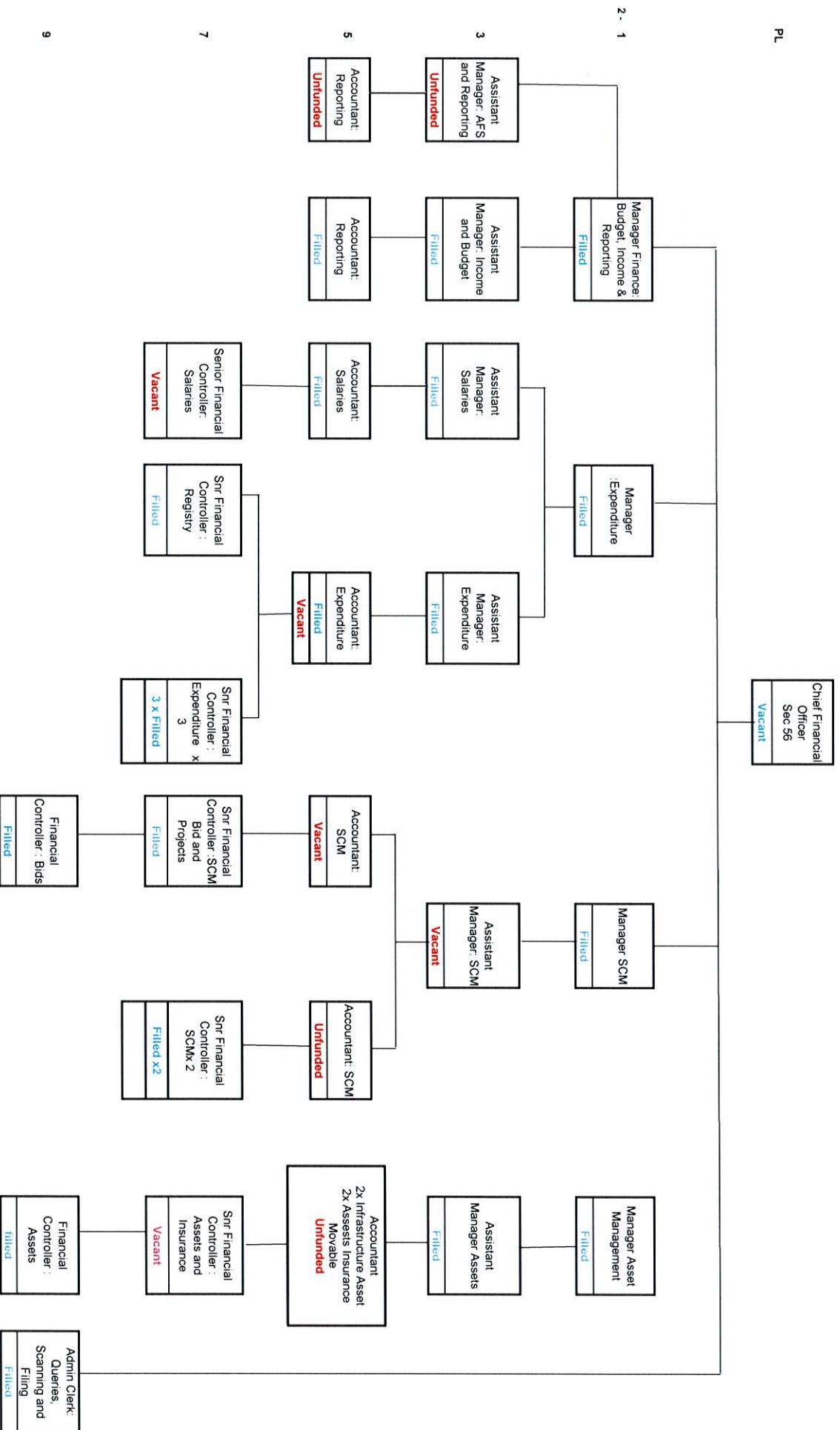
The Accounting Officer of a municipality must within 10 days of the end of each quarter, submit a report on the implementation of the SCM policy to the Mayor.

PART B

2. Supply Chain Institutional Arrangements

Supply Chain Management functions have been centralised under the Budget and Treasury Office of the municipality under the leadership of the Chief Financial Officer. Currently there are 02 positions of supply chain practitioners on the organogram as follows:

Budget & Treasury



PL

2 - 1

5

7

9

Not all positions in the current structure are filled.

2.1 Policy and Procedures for Supply Chain Management

The SCM policy has not been reviewed annually as required by the SCM Regulations; however the policy has been reviewed and implemented from 01 July 2018. This amounts to non-compliance and threatens the internal controls of the municipality.

2.2 Establishment of the SCM Unit

According to our Supply Chain Policy and SCM Regulation no 7, each municipality must have a supply chain management unit which deals with the following elements of supply chain management:

- Demand Management
- Acquisition Management
- Logistics Management
- Assets and Disposal Management
- SCM Performance and Risk Management

SCM Regulation 7 was fully implemented from 01 July 2017 in line with our policy. Due to lack of sufficient resources, the unit only implements some of the elements. All elements of Supply Chain Management are implemented except logistics management.

The SCM unit is established and all SCM functions are centralised (Acquisition activities are performed by the SCM unit). All quotations are sourced from one central point to ensure that all the SCM legislative requirements are addressed.

2.3 Establishment of Bid Committees

The bid committees are in place, but they are not necessarily in line with the suggested committee members as the policy stipulates. The Bid Specification and the Bid Evaluation Committees are in line with policy. The Bid Adjudication Committee as suggested by the policy should comprise at least 4 senior managers; our Bid Adjudication Committee consists of two senior managers and other managers and

officials. However, the bids committees have been functioning well, and have identified areas where they need to improve.

A declaration form in terms of S7 (2) of the Municipal Systems Act of 2000 has been circulated to all the Bid Committee Members for them to declare their interest and to be signed under Oath. The forms have been completed and returned to the SCM Officer.

At all Bid Committee Meetings, members sign an attendance register and declare and undertake the following:

2.4 Implementation of the MBD Documents

YES, the MBD documents are utilised to prepare the bid documents. There is however, still a challenge with the signatures on the MBD 7 whereby some service providers still omit to sign this form. More awareness is made at the bid briefing sessions to try and improve this problem.

2.5 Supplier Database

The municipality must:

- (a) Ensure that the suppliers are registered on the web based central supplier database. Suppliers can use the following link to register: www.csd.gov.za
- (b) Ensure that system vendors follow the National Treasury Integration Job Aid file which will ensure that the municipal financial system are integrating with the web based central supplier database.
- (c) Ensure that the supplier chain management officials and other officials use the central supplier database online search engines.

The municipality must use the central supplier database supplier number starting with (MAAA) which is auto generated by the central supplier database system after the successful registration and validation of the prospective provider as mandatory requirement as part of the listing criteria for accrediting prospective provider in line with section 14(1)(b) of the Municipal Supply Chain Management Regulations

3. The Procurement Plan

Not all departments within the municipality have submitted their procurement plans for financial year 2019/20. Budget and Treasury, Community Services, Corporate Services, IDP and PIMS are the only department that has submitted the procurement plan. The procurement plan is specifically required to address the procurement of goods and services of the value above R200 000.00.

PART C

SCM Performance Monitoring

3.1 Extension of Contracts

RDM2016-002A: Supply of short term insurance for Dr Ruth Mompati District Municipality

3.4 Deviations and Ratification of Minor Breaches of Procurement Processes in terms of S36 of the SCM Regulations

No contract was awarded this quarter

3.5 Procurement of Goods and Service under contract secured by other organ of state as per S32 of SCM Regulations

No contract was awarded this quarter



DEVIATIONS AND RATIFICATION REPORT FOR THE PERIOD APRIL TO JUNE 2018

SUPPLY CHAIN MANAGEMENT REGULATION 36(1) A/DEVIATIONS

Name of the municipality	Description of Goods/Service	Contracted service provider	Value of the project (VAT inclusive)	Reason for deviation	Month
Dr RSM DM	Vehicle Service for HZH 587 NW (Toyota S/cab)	O005 – Orange Toyota	R7 430.15	Orange Toyota is the sole provider as per SCM regulations S36a(ii)	2019/08/12
Dr RSM DM	Service for Nissan NP200 HLG 343 NW 165 000 KM	S029 – Stellaland Nissan	R0.00	SCM regulations S36a(ii)	2019/08/27
Dr RSM DM	Vehicle Service for HZH 585 NW (Toyota D/cab)	O005 – Orange Toyota	R0.00	Orange Toyota is the sole provider as per SCM regulations S36a(ii)	2019/09/09
Dr RSM DM	Sage 300 People Basic part 1 training for Nthabiseng Mothibedi	S730 - Sage VIP	R6 543.50	Only one quotation was Sourced as Sage is the contracted for the Payroll system used by the Municipality	2019/09/09

3.5 Deviations as per S114 of the MFMA

No S114 deviations during the quarter.

3.6 Procurement of Goods and Services under contract secured by other organs of states as per S32 of Supply Chain Management Regulations

None

3.7 Bid Register report

No Bid was awarded this quarter

3.8 Quotation Register report

As per attached quotation register

Dr Ruth S Mompoti District Municipality

Quotation Register List

Printing detail: Modise, on 10/23/2019

QUOTATION DETAIL

Quotation no	Description	Quotation document detail			Award details			Awarded					
		Closing date	Project manager	Contact person	Contact tel no	Availability date	Validity days	Supplier	PDI %	BBBEE %	Order no	Amount (incl VAT)	Status
SCMRD\20559	Accommodation and meals for 38 people attending SAMSBA National games at Durban on 22-28/09/2019	2019/09/20	ModiseS	Sasane Modise	053 928 6400	2019/09/13	60	Continuing Education Programme				195 510,00	Active
SCMRD\20561	Transport for 60 people attending SAMSBA National games at Durban on 22-28/09/2019	2019/09/20	ModiseS	Sasane Modise	053 928 6400	2019/09/13	60	Vutoleka Transport and Projects				72 000,00	Active
											Total quotation value awarded	247 510,00	
											Average quotation value awarded	133 755,00	

SCM REASON



Prepared By

21/11/2019

Date



Reviewed By:

21/11/2019

Date

I JERRY MONONELA Municipal Manager of Dr Ruth S Mompoti District Municipality, hereby certify that this report and the supporting documentation are prepared in terms of SCM Regulation 6(3).

Print Name: JERRY MONONELA

Municipal Manager of Dr Ruth S Mompoti District Municipality

Signature: _____



Date :

ACKNOWLEDGEMENT OF RECEIPT BY THE EXECUTIVE MAYOR

I, **Cllr BOITUMELO LESEGO MAHLANGU**, the Executive Mayor of Dr Ruth Segomotsi Mompati receive this report in line with the SCM Regulation Section 6(3) of the MFMA.

Signature  _____

Date 21/11/2019

