

SWELLENDAM MUNICIPALITY



DIRECTORATE: FINANCIAL SERVICES

SUPPLY CHAIN MANAGEMENT

**4th QUARTER IMPLEMENTATION REPORT FOR THE 2017/2018
FINANCIAL YEAR**

INDEX

The scope of the implementation review will include the following:

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1. INTRODUCTION

This report is a summary of the implementation of the Supply Chain Management Policy as adopted by Council on 05 December 2005 and highlights the implementation of Supply Chain Management in Swellendam Municipality. It is required by regulation 6(3) of the Supply Chain Management Regulations that the Accounting Officer submits a quarterly report on the implementation of Supply Chain Management to the Mayor to give effect to his oversight role.

Following is a summary of the Supply Chain Management Implementation Report for the 4th quarter in terms of the 2017/2018 financial year of Swellendam Municipality:

- 1.1 Deviations increased by 691% to R2 351 692.49 from the 2nd quarter due to term contracts that was approved in terms of Regulation 36 for which the expenditure is reported at year end.
- 1.2 Procurement spend in terms of local economic development amounts to R2 543 147 which represent 17% of the total orders placed during the 4th quarter. However, when taking out the value of the construction contracts (which requires a high CIDB grading and not locally available) a **32%** local spending is realised.
- 1.4 It should be noted that procurement is a specialised function hence it needs to be centralised in order to ensure that user departments focus on their core function of service delivery.
- 1.5 Standard Operating Procedures for the Bid Committee System as well as for Contract Management were developed and are currently under review for implementation in due course.

2. POLICY

The current SCM policy has been reviewed and was adopted by Council in order to incorporate the latest SCM prescripts, as required by paragraph 3 of the SCM Regulations.

3. DELEGATIONS

The Municipal Manager is responsible for implementing the policy and to take 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.

The purpose of such delegations is to maximise the administrative and operational efficiency. The delegations also provide adequate checks and balances in the municipality's Supply Chain Management function. According to Section 79 and 106 of the MFMA delegations and sub-delegations must be in writing. SCM delegations are in place.

4. 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

must operate 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.

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

Manager: Supply Chain

Accountant: Demand & Acquisitions

1 x Buyer (Vacant)

3 x Senior Clerks

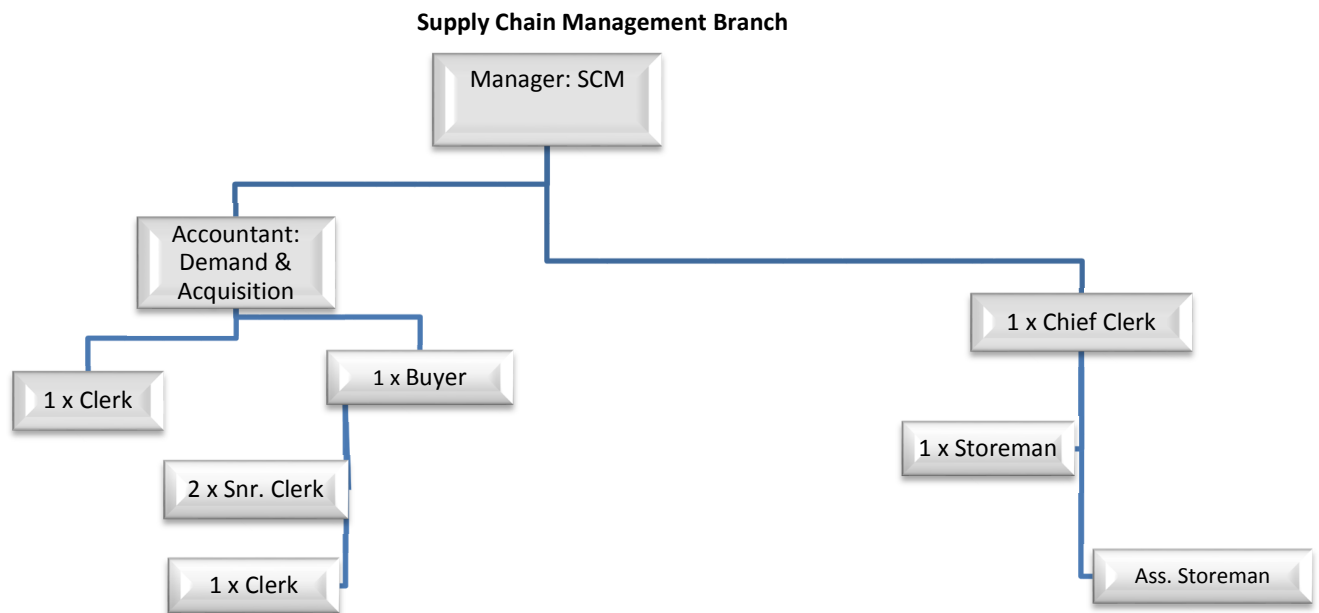
1 x Clerk (Vacant)

1 x Administrator: Stores & Disposals

1 x Storeman

1 x Assistant Storeman (Vacant)

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



The current structure is however not fully implemented as three vacancies are currently not filled.

5. DEMAND MANAGEMENT

Preferred Suppliers Database

The Municipality is required by legislation to have and maintain a Database of Accredited Prospective Suppliers in order to ensure that all the procurement of goods and services for the Municipality is made through this Database. The Database has been developed from a manual one to a fully functional electronic Database of Prospective Suppliers maintained by the SCMU. Currently there are 1255 suppliers registered on this Database.

Procurement Planning

One of the functions of SCM is to ensure that goods, works or services are delivered to the right place, in the right quantity, with the right quality, at the right cost and at the right time in a normal procurement environment.

In order to fulfil the above function the SCMU, together with the end-user, must apply strategic sourcing principles to determine the optimum manner in which to acquire the goods, works or services. Subsequent to this the unit held individual sessions with departments to complete their respective procurement plans for procurements above R30 000 for the 2017/2018 financial year in order to ensure that they spend their budgets effectively, efficiently and economically.

RESPONSIBLE PERSON	DESCRIPTION OF GOODS / WORKS OR SERVICES REQUIRED	VOTE NO	ESTIMATED VALUE (incl. all applicable taxes)	ACTUAL EXPENDITURE	ENVISAGED DATE OF ADVERTISE MENT	ACTUAL DATE OF ADVERTISE MENT	ENVISAGED CLOSING DATE	ACTUAL CLOSING DATE	ENVISAGED DATE OF AWARD	ACTUAL DATE OF AWARD
D. Du Plessis	Airconditioners (x4)	50101000311	R 50 000.00	R 46 447.46	2017/07/14	-	2017/07/21		2017/07/28	2017/08/31
D. Du Plessis	Fridges -Kitchens (2)	50101000281 50101000371	R 6 000.00 R 5 000.00	R 3 380.54 R 3 380.54	2017/07/14	- -	2017/07/21		2017/07/28	2017/08/22
D. Du Plessis	Schredder	50101000321	R 5 000.00	R 4 385.97	2017/07/14	-	2017/07/21		2017/07/28	2017/10/09
D. Du Plessis	TV for communication-paypoint offices	50101000341	R 5 000.00	R 4 230.39	2017/07/14	-	2017/07/21		2017/07/28	2017/08/22
S.Herbst	Link stick 8 Lid	50101000491	R6500.00	R 6 300.00	2017/07/17	-	2017/07/24		2017/07/31	2017/11/17
B.Burger	Chainsaw	50101000241	R 7 000.00	R 6 859.02	2017/07/17	-	2017/07/24		2017/07/31	2017/10/24
G.Botha	Security fence Hermitage	50103000101	R 90 000.00	R 0.00	2017/07/07	2017/11/03	2017/07/28	2017/11/10	2017/08/04	2017/11/17
S.Herbst	Upgrade of protection at substation	50101000711	R 100 000.00	R 73 435.60	2017/07/07	2018/02/06	2017/07/28	2018/02/23	2017/08/25	2018/04/20
S.Herbst	Swellendam Main Substation (Breakers, Cables and other)	50101000111	R 1 754 386.00	R 120 971.90	2017/07/07	2017/08/04	2017/07/28	2017/08/18	2017/08/25	2017/09/04
W.Titus	Konsultante tender	-	-		2017/07/14	2018/02/23	2017/07/28	2018/03/16	2017/08/18	
JC Kapp	Steel Shelves	50101000521	R 15 000.00	R 12 368.40	2017/07/14		2017/08/04		2017/08/25	2017/12/06

D. Blauw	Uniform tender	10145210250000	R 59 125.00	R 8 673.84	2017/07/14	2017/09/08	2017/08/04	2017/09/22	2017/08/25	2017/11/06
B.Burger	Railton upgrade gravel roads and stormwater phase2	50101000451	R 2 584 211.00	R 39 193.14	2017/07/21	2017/11/24	2017/08/11	2017/12/15	2017/09/01	2018/02/14
B.Burger	Access Control & Signage Barrydale Landfillsite- (Split into 3 formal quotations)	50101000131	R 50 000.00		2017/08/25		2017/09/08		2017/09/29	
	* Wendy house				2017/08/25		2017/09/08		2017/09/29	
	* Gate				2017/08/25	-	2017/09/08	-	2017/09/29	2017/11/08
	* Signage				2017/08/25	-	2017/09/08	-	2017/09/29	2017/11/08
S.Herbst	Wap HP	50101000201	R 12 500.00	R 9 550.00	2017/08/25		2017/09/08	-	2017/09/29	2017/08/08
B.Burger	Steel cutter	50101000191	R 3 000.00	R 1 510.10	2017/08/25		2017/09/08		2017/09/29	2017/11/06
K.Stuurman	Irrigation	50101000011	R 10 000.00	R 0.00	2017/08/25		2017/09/08		2017/09/29	
K.Stuurman	Street refuse bins	50101000151	R 10 000.00	R 0.00	2017/08/25		2017/09/08		2017/09/29	
L.Mralasi	Shelter Sportsgrounds Buffeljagsrivier (material only)	50101000461	R 15 000.00	R 0.00	2017/08/25		2017/09/08		2017/09/29	
S.Herbst	Kersliggies (Formal quotation)	10105201320000	R 34 240.00	R 26 105.00	2017/08/25		2017/09/08		2017/09/29	2017/08/14
K.Stuurman	Deure vervang by Karavaanpark (Meranti/Origan pine)	10210201450000	R 110 000.00	R 71 469.40	2017/09/15		2017/09/22		2017/09/22	2017/08/16
G.Botha	Bakenskop level sensor Railton level sensor	50102000031	R 90 000.00	R 0.00	2017/09/08		2017/09/29		2017/10/27	
B.Burger	10 Speedhumps	50101000431	R 130 000.00	R 104 434.33	2017/09/08		2017/09/29		2017/10/27	2017/11/15
G.Botha	Monitoring devices (different items) formal quotation	50103000091	R 120 000.00	R 98 860.00	2017/09/08	2018/01/19	2017/09/29	2018/02/02	2017/10/27	2018/03/13
D. Du Plessis	Kitchen Cupboards Council Chambers	50101000301	R 10 000.00	R 0.00	2017/09/22	2017/10/13	2017/10/06	2017/10/27	2017/10/28	2017/11/17
D. Du Plessis	Kitchen Cupboards Head office	50101000291	R 30 000.00	R 0.00						
K.Stuurman	Traffic Vehicle	50101000101	R 170 000.00	R 143 674.71	2017/09/15		2017/10/06		2017/10/27	2017/11/14

K.Stuurman	Isuzu KB (Swartland Mun)	50101000061	R 62 500.00	R 60 790.00	2017/09/15		2017/10/06		2017/10/27	2017/10/31
K.Stuurman	Trailers for equipment	50101000211	R 30 000.00	R 0.00	2017/09/15		2017/10/06		2017/10/27	
K.Stuurman	Nissan Cabstar UD40	50101000091	R 120 000.00	R 116 717.00	2017/09/15		2017/10/06		2017/10/27	2017/10/31
W.Titus	Moniterings kontrak	10125200420000	R 344 818.00	R 1 200.00	2017/09/15	2017/09/15	2017/10/06	2017/10/06	2017/10/27	2017/11/06
L.Mralasi	Alien Clearing (EPWP)	10185200160000	R 50 000.00	R 26 140.00	2017/09/15		2017/10/06	-	2017/10/27	-
L.Mralasi	Firebreaks Swellendam	10185201470000	R 63 000.00	R 0.00	2017/09/15		2017/10/06		2017/10/27	2017/11/21
L.Mralasi	Firebreaks Infanta	10185201470000	R 10 700.00	R 0.00	2017/09/15		2017/10/06			
L.Mralasi	Firebreaks Suurbraak	10185201470000	R 21 000.00	R 0.00	2017/09/15		2017/10/06			
L.Mralasi	Firebreaks Bufflejagts	10185201470000	R 10 700.00	R 0.00	2017/09/15		2017/10/06			
L.Mralasi	Firebreaks Barrydale	10185201470000	R 26 000.00	R 24 560.00	2017/09/15		2017/10/06		2017/10/27	2017/11/07
D. Du Plessis	Blinds Council Chambers	50101000361	R 10 000.00	R 2 355.00	2017/09/14		2017/10/21		2017/10/28	2017/10/27
K.Stuurman	Traffic offices extension	50101000561	R 600 000.00	R 0.00	2017/10/12	2017/11/24	2017/11/03	2017/12/15	2017/11/30	
K.Stuurman	Railton sportsground- Phase 2 (contract in place)	50101000481	R 877 193.00	R 3 259 933.63	2017/10/12		2017/11/03		2017/11/30	2017/09/07
K.Stuurman	Purchase of land Transnet	20101000861	R 3 000 000.00	R 0.00	2017/10/12		2017/11/03		2017/11/30	
D. Du Plessis	Office Buildings: * Roof Council Chambers * Painting of Council Chambers (The work to be done will depend on the value of the quotations. Balance of the vote is for general maintenance of buildings through the year)	10040220210000	R 350 000.00	R 182 709.60	2017/10/12		2017/11/03		2017/11/30	2017/11/20

D. Du Plessis	Replace ceiling- Council Chambers				2017/10/12		2017/11/04		2017/12/01	
D. Du Plessis	Paint Deputy Mayor office				2017/10/12		2017/11/05		2017/12/02	
D. Du Plessis	Painting SCM & Town Planning building	10040201450000		R 32 554.67	2017/10/12	-	2017/11/06	-	2017/12/03	2017/11/09
F. Meyers	Thusong -Verf van gebou in gang en kantore	10170201450000	R 30 000.00	R 18 294.82	2017/10/12		2017/11/03		2017/11/30	Ongoing
B.Burger	Russel street road rehab	50101000421	R 150 000.00	R 66 176.09	2017/11/03		2017/11/24		2017/12/29	Ongoing
H.Schlebusch	Changes to income offices	50101000821	R 50 000.00	R 49 843.73	2017/11/03	-	2017/11/24	-	2017/12/29	-
D. Du Plessis	Citi Golf - (Swartland Mun) Mnr D. Du Plessis	50101000081	R 35 000.00	R 34 043.00	2017/11/10		2017/12/01		2017/12/29	2017/10/31
JC Kapp	Fire Extinguishers and signs (Ontruimingsplanne)	50101000601	R 40 000.00	R 19 917.74	In Progress	-	-	-	2018/02/28	-
F.Erasmus	Voertuie	50101000041	R 300 000.00	R 291 794.00	2017/11/10		2017/12/01		2017/12/29	2017/10/31
G.Botha	Pump replacement- Supply, installation and commissioning	50103000061	R 180 000.00	R 178 339.00	2017/11/24	2018/02/02	2017/12/15	2018/02/16	2017/12/01	2018/04/11
G.Botha	Barrydale pipe replacement	50102000021	R 200 000.00	R 87 692.83	Inhouse (End August)					2017/12/08
F.Erasmus	Suurbraak WTW	50102000071	R 805 935.77	R 805 935.77	(Consultant in Place)	2018/03/02	2018/03/02	2018/03/23	-	2018/05/20
S.Herbst	Telescopic saw	50101000501	R 10 000.00	R 6 250.00						2017/08/22
H.Schlebusch	ICT Network	50101000411	R 186 750.00	R 59 476.00	Ongoing					Ongoing
H.Schlebusch	Office Furniture	50101000261	R 50 000.00	R 31 273.40	Ongoing					Ongoing

6. ACQUISITION MANAGEMENT

Procurement Statistics

Description	Total No	Monthly Average	Daily Average
Requests processed	1 069	356	18
Orders processed	1 003	334	17
Requests cancelled or referred back	66	22	1.10
Extensions	7	2.33	0.12
Bids received (number of documents)	18	6	0.3
Bids awarded	14	4.66	0.23
Bids awarded ≤ R200 000	2	0.66	0.03
Appeals registered	2	0.66	0.03
Successful Appeals	1	0.33	0.01
Bid Specification Committee meetings	6	2	0.1
Bid Evaluation Committee meetings	8	2.66	0.13
Bid Adjudication Committee meetings	9	3	0.15

7. BID COMMITTEE SYSTEM

The Accounting Officer has appointed permanent members of the committees as well as secundis. Letters of Appointments, the Code of Conduct and Declaration of Interest has already been signed by the members and secundis of the committees.

(a) The Bid Specification Committee (BSC)

This committee is 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 proceedings are being formalised via the arrangement of meetings by the SCM Unit.

(b) The Bid Evaluation Committee (BEC)

This committee must as far as possible be composed of-

- officials from departments requiring the goods or services; and
- at least one supply chain management practitioner of the municipality.

The proceedings have been formalised by taking minutes of the proceedings of the Bid Evaluation Committee meetings by SCM personnel.

(c) The Bid Adjudication Committee (BAC)

The Bid Adjudication Committee must consist of at least four senior managers of the municipality which must

include –

- the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer;
- at least one senior supply chain management practitioner who is an official of the municipality; and
- a technical expert in the relevant field who is an official of the municipality, if the municipality has such an expert.

The Bid Adjudication Committee has been functional and has been involved in all bids exceeding R30,000.

Bids recommended by the Bid Adjudication Committee

The following bids were recommended by the BAC and awarded by the Accounting Officer in terms of the SCM Policy and the Preferential Procurement Policy for the 4th quarter:

CONTRACT NO	BID DESCRIPTION	SUPPLIER NAME	AMOUNT
SMQ10/17/18	Supply, Delivery & Installation of a Sewer at the Barrydale Pump Station	G.W. Trautman CC.	180 000.00
SMT12/17/18	Proposals for the development of erf 6715, Swellendam	The Rain Holding Company	2 222 222.00
SMT22/17/18	Provision of legal and specialised legal services over a three (3) year period	Adv. JF Koekemoer	Rates
		Michael Hendrik Veldman t/a Powell Kelly Veldman	Rates
		Brasika Consulting (Pty) Ltd	Rates
SMT25/17/18	Supply, installation and commissioning of new 11kv switchgear, associated equipment in the existing Bethel substation and feeder cable to Railton switching station	Techno Serve Medium Voltage Pty Ltd	3 225 350.21
SMT30/17/18	Supply and deliver of toilet paper to the Swellendam Municipality.	Top One Hygiene (Pty) Ltd	213 600.00
SMT31/17/18	Upgrading of Suurbraak Bulk Water Supply Scheme: Phase 1	Benver Civils	6 132 339.39
SMT26/17/18	The service, maintenance and repairs of municipal vehicles, plant and equipment for a three (3) year period	Mastermac Auto Repairs (Pty) Ltd	Rates
		AAD Truck & Bus (Pty) Ltd	Rates
		Hydrengo (Pty) Ltd	Rates
SMT32/17/18	Provision of Short Term Insurance for the period 01 July 2018 to 30 June 2021.	Nico Swart Consultancy (Pty) Ltd.	1 801 777.71
SMT33/17/18	Provision of ICT Services	Wireless Web Technologies (Pty) Ltd	2 160 000.00

8. DEVIATIONS FROM PROCUREMENT PROCESSES

Please find statistics as well as a schedule of the deviations approved by the Accounting Officer during the 4th quarter of the 2017/18 financial year:

Details of Deviations for Procurement Services

Type of deviation	Value of deviations	Percentage of total deviations value	Value of deviations	Percentage of total deviations value
	4 th Qtr. 2017/18		3 rd Qtr. 2017/18	
Clause 36(1)(a)(i)- Emergency	-	-	76 136.86	25.62
Clause 36(1)(a)(ii)- Sole Supplier	205 308.02	8.73	33 342.97	11.22
Clause 36(1)(a)(v) – Impractical/ Impossible	2 139 753.75	90.99	182 127.39	61.28
Clause 36(1)(b) - Minor breaches	6 630.72	0.28	5 573.5	1.88
Total	2 351 692.49	100	297 180.69	100

Afwykinge in terme van SCM regulasie 36 (i) in noodgeval/dringend

Datum	Verskaffer	Kwotasie besonderhede	Bedrag	Dept	Rede vir Afwyking
			0.00		

Afwykinge in terme van SCM regulasie 36 (ii) indien sodanige goedere of dienste gelewer word of beskikbaar is van 'n enkele verskaffer

Datum	Verskaffer	Kwotasie besonderhede	Bedrag	Dept	Rede vir Afwyking
24-04-2018	Duplex Liquid Meters (Pty) Ltd	Voorsiening en diens van hoogteskakelaar	22 186.95	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Aanbevole verskaffer behou waarborg. Goedkeuring MM
09-05-2018	Barloworld Equipment	Herstel van "foot valve" van CAT Grader CCK 13565	22 140.32	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM
11-05-2018	Workshop Electronics	Voorsiening en installasie van " Geo Vision IP" kamera en sagteware voertuigtoetstasie	24 759.00	DGD	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Aanbevole verskaffer is enigste verskaffer van Millitron toerusting. Goedkeuring MM
14-05-2018	CTE Watertech	Kalibrasie van "multi parameter "water toetsapparaat	9 205.52	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM
17-05-2018	Workshop Electronics	Vervanging van rollers padvaardigheid toerusting Verkeertoetstasie	18 848.00	DGD	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM
20-05-2018	Dell	Spesialiseerde tegniese ondersteuning IT	6 583.75	DFD	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM
29-05-2018	Transtech	Herstelwerk aan vulliskompakteerder CCK 3348	83 820.51	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM
26-Jun-18	Transtech	Herstelwerk aan vulliskompakteerder CCK 3348	17 763.97	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM

205 308.02

Afwykinge in terme van SCM regulasie 36 (iii) vir die verkryging van besondere kunswerke of geskiedkundige voorwerpe waar spesifikasies moeilik is om op te stel

Datum	Verskaffer	Kwotasie besonderhede	Bedrag	Dept	Rede vir Afwyking

0.00

Afwykinge in terme van SCM regulasie 36 (iv) verkryging van diere vir dieretuine en / of natuur-en-wildreservate

Datum	Verskaffer	Kwotasie besonderhede	Bedrag	Dept	Rede vir Afwyking

0.00

Afwykinge in terme van SCM regulasie 36 (v) in enige ander uitsonderlike geval waar dit onprakties of onmoontlik is om die amptelike verkrygingsprosesse te volg

Datum	Verskaffer	Kwotasie besonderhede	Bedrag	Dept	Rede vir Afwyking
3-04-2018	Huber Technology	Strip & quote en herstel van drumscreen by Klipperivier Rioolwerke Swellendam	119 025.00	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM
3-04-2018	PC Connection	Opgradering van IT netwerk	20 830.00	DFD	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM
25-04-2018	Riversdale Auto Boys	Versekering eis- herstek van voertuig ruit - Mnr. K. oosthuizen	2 100.01	DFD	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Goedkeuring MM
21-05-2018	Gw Trautmann CC	Herstel van Gormann Rupp pomp by die Silo pompstasie	55 598.13	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Aanbevole verskaffer behou waarborg. Goedkeuring MM
23-05-2018	Spilhaus Swellendam	Voorsiening van waterpompe Suurbraak Waterwerke	22 704.00	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Aanbevole verskaffer behou waarborg. Goedkeuring MM
23-05-2018	Zestweg Electrical (Pty) Ltd	Voorsiening van panele vir waterpompe Suurbraak Waterwerke	28 611.00	DID	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Aanbevole verskaffer behou waarborg. Goedkeuring MM
4-Jun-18	PC Connection	Installering van koordlose sisteem	4 040.00	DFD	Slegs 1 kwotasie aangesien dit onprakties is om nog kwotasies in te win. Aanbevole verskaffer behou waarborg. Goedkeuring MM
30-Jun-18	Agri World Recycling	Instandhouding en herwinning van vaste afval by die Bontebok Vaste Afval Terrein, Swellendam	997 494.00	DID	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	R& S Communications	Lewering van herhalingsdienste en lisensiëring van 70 radios aan Swellendam Munisipaliteit	87 538.53	DID	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	Oasis Kafee	Verkoop van voorafbetaalde elektrisiteit	69 908.74	DFD	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	Swellendam Grassnyers	Diens en herstel van grassny toerusting en masjienerie	69 902.53	DGD	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	Digicore Fleet Management	Voorsiening van opsoringsdienste voertuie	109 667.65	DID	Onprakties om amptelike prosesse te volg. Goedkeuring MM

30-Jun-18	Brasika Consulting	Lewering van Regsdienste	48 621.50	DKD	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	Adv. Jan Koekemoer	Lewering van Regsdienste	55 296.46	DKD	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	Lucrumsoft (Pty) Ltd	Metering services	145 793.84	DFD	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	JT Kemp	Voorsiening van water in Malagas	126 775.00	DID	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	JT Kemp	Huur van vullisstortingsterrein Malagas	73 916.48	DID	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	LC Eksteen	Voorsiening van water in Infanta	6 936.22	DID	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	T Sedgwick	Voorsiening van water in Malagas	3 448.94	DID	Onprakties om amptelike prosesse te volg. Goedkeuring MM
30-Jun-18	T Sedgwick	Huur van vullisstortingsterrein Malagas	91 545.72	DID	Onprakties om amptelike prosesse te volg. Goedkeuring MM

2 139 753.75

Afwygings in terme van SCM regulasie 36 (i) (b) bekragtiging van geringe oortredings

Datum	Verskaffer	Kwotasie besonderhede	Bedrag	Dept	Rede vir Afwyking
22-05-2018	Swellendam Grassnyers	Aankoop van nylon	1826.72	DGD	Bestelling uitgemaak vir SSK by verkeerde diensverskaffer aangekoop. Goedkeuring MM
27-Jun-18	Blackbird Trading 415cc t/a TM2 Commercial Vehicles	Herstel van voertuig CCK 14398	1 615.73	DID	Die bekleër het nie 'n bestelling laat proseseer Goedkeuring MM
29-Jun-18	Ayanda Mbang Comm	Plasing van advertensie	3 188.27	DCS	Die prys was nie in lyn met die kontrak nie. Goedkeuring MM

6 630.72

Totale afwykings vir 4de kwartaal 2 351 692.49

9. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

In terms of paragraph 45 of the Supply Chain Management Policy of Council, 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.

The following bids were awarded to a person who is a family member of a person in the service of the state:

DATE	NAME	DESCRIPTION	AMOUNT	CLOSE FAMILY MEMBER	RELATION SHIP
02/05/2018	KEMANZI (PTY) LTD	SUPPLY AND DELIVERY OF ALUMINIUM SODIUM	71 415.00	JN DU TOIT	SPOUSE
11/05/2018	KEMANZI (PTY) LTD	SUPPLY AND DELIVERY OF LIQUID ALUMINIUM	74 508.00	JN DU TOIT	SPOUSE

145 923.00

10. AWARDS TO PERSONS IN THE SERVICE OF THE STATE

In terms of Council's Supply Chain Management Policy, paragraph 44, the municipality is prohibited from doing business with any person in the service of the state.

None

11. REPORTING OF AWARDS ABOVE R100, 000

In terms of MFMA circular 34, all awards above R100 000.00 must be reported to Provincial and National Treasury on a monthly basis. The following awards were reported for the 4th quarter of the 2017/18 financial year:

Contract details			Total value of contracts		Premium Value Paid		B-BBEE Status Level of Contributor	Method of procurement	Preference point system	Sub-contracting		Is the bid awarded in terms of section 114 of MFMA?	Is the reporting completed on CRA system?
Contract reference	Service provider/ Supplier	Contract Description	Total value of contract	Lowest Acceptable Bid Value	Premium Value Paid	Premium % Paid	Level	Quotation/ Competitive Bidding/ Deviation	80/20 or 90/10	< than 25% (Insert value)	> than 25% (Insert value)	(Yes/ No)	(Yes/ No)
SMQ10/17/18	GW Trautman CC.	Supply, Delivery & Installation of a Sewer at the Barrydale Pump Station	180 000.00	180 000.00	5	0	4	Quotation	80/20	n/a	n/a	No	Yes
SMT12/17/18	The Rain Holding Company	Proposals for the development of erf 6715, Swellendam	2 222 222.00	2 222 222.00	0	0	Non-compliant	Competitive Bidding	80/20	n/a	n/a	No	Yes
SMT25/17/18	Techno Serve Medium Voltage Pty Ltd	Supply, installation and commissioning of new 11kv switchgear, associated equipment in the existing Bethel substation and feeder cable to Railton switching station	3 225 350.21	3 225 350.21	0	0	2	Competitive Bidding	80/20	n/a	n/a	No	Yes

SMT30/17/18	Top One Hygiene (Pty) Ltd	Supply and deliver of toilet paper to the Swellendam Municipality.	213 600.00	213 600.00	0	0	1	Competitive Bidding	80/20	n/a	n/a	No	Yes
SMT31/17/18	Benvir Civils	Upgrading of Suurbraak Bulk Wate Supply Scheme: Phase 1	6 132 339.39	6 132 339.39	0	0	2	Competitive Bidding	80/20	n/a	n/a	No	Yes
SMT32/17/18	Nico Swart Consultancy (Pty) Ltd.	Provision of Short Term Insurance for the period 01 July 2018 to 30 June 2021.	1 801 777.71	1 801 777.71	0	0	4	Competitive Bidding	80/20	n/a	n/a	No	Yes
SMT33/17/18	Wireless Web Technologies (Pty) Ltd	Provision of ICT Services	2 160 000.00	2 160 000.00	0	0	4	Competitive Bidding	80/20	n/a	n/a	No	Yes

12. LOGISTICS, DISPOSAL 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.

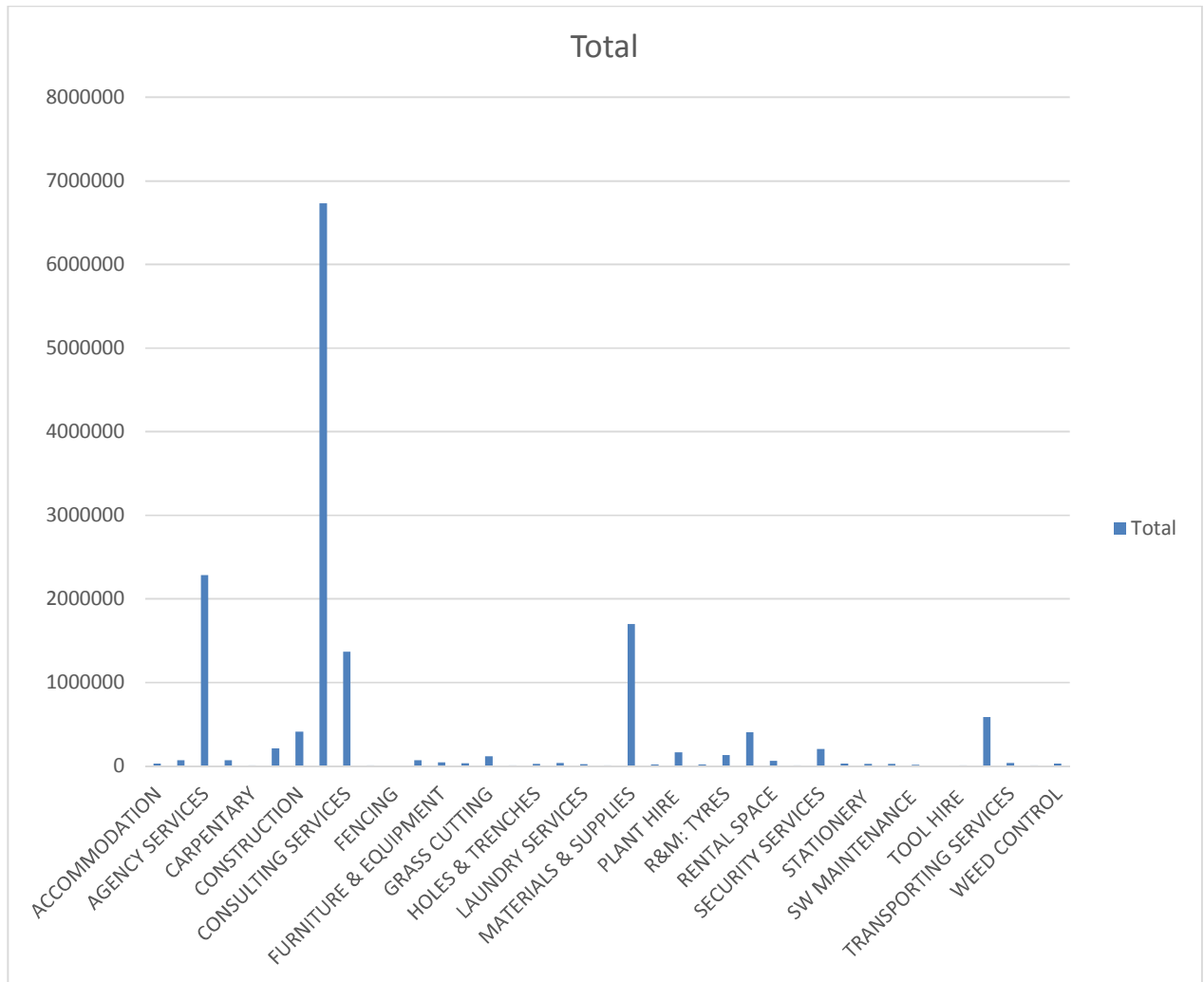
12.1 Inventory Control

The value of stock at the end of the 4th quarter was recorded at R 3 055 722.36. Regular ad hoc inspections and scheduled monthly stock-takes are conducted.

12.2 Placing of orders

The sourcing of quotations for purchases below R30 000 is currently handled by the relevant departments but are processed centrally at the SCM unit which ensures some type of control. It should be noted that purchasing is a supply chain management function while technical staff is currently doing purchasing whereas they should concentrate on their core function, namely service delivery. It is recommended that procurement be centralised.

SPEND ANALYSIS



Sum of Order Total	Column Labels			
Row Labels	Apr-18	May-18	Jun-18	Grand Total
ACCOMMODATION	14 990.00	14 300.00		29 290.00
ADVERTISING	22 705.55	16 912.49	29 084.41	68 702.45
AGENCY SERVICES	703 579.26	570 141.41	1 010 120.72	2 283 841.39
AUTO ELEC SERVICES	25 901.97	41 540.24	3 285.67	70 727.88
CARPENTRY	9 460.00			9 460.00
COMPUTER SERVICES	67 364.55	80 872.80	65 168.25	213 405.60
CONSTRUCTION	385 826.46	24 750.00		410 576.46
CONSTRUCTION	872 270.11	3 430 929.06	2 430 812.38	6 734 011.55
CONSULTING SERVICES	659 968.89	604 140.33	102 425.43	1 366 534.65
ENTERTAINMENT	700.00	4 320.96	1 540.00	6 560.96
FENCING	162.00	3 216.00		3 378.00
FUEL, OIL & GAS	27 911.38	26 128.94	13 224.42	67 264.74

FURNITURE & EQUIPMENT	1 710.45	32 527.37	9 563.40	43 801.22
GENERAL MAINTENANCE	17 253.00	13 143.25	1 569.75	31 966.00
GRASS CUTTING	49 660.55	59 795.51	9 590.64	119 046.70
GRASS CUTTING		8 536.35		8 536.35
HOLES & TRENCHES	9 690.83	11 060.00	5 600.00	26 350.83
KERB LAYING	8 118.00	27 680.00		35 798.00
LAUNDRY SERVICES	10 001.00	7 993.00	5 922.00	23 916.00
LOCKS & KEYS	4 411.54	1 467.23	492.34	6 371.11
MATERIALS & SUPPLIES	600 250.85	933 233.89	165 450.86	1 698 935.60
PLANT HIRE			17 600.00	17 600.00
PLANT HIRE	42 201.00	104 247.50	17 825.00	164 273.50
R&M: GRASS CUTTING EQUIP	10 296.21	8 073.10	286.86	18 656.17
R&M: TYRES	57 849.04	70 844.12	2 543.44	131 236.60
R&M: VEHICLES	175 952.69	211 404.08	17 763.97	405 120.74
RENTAL SPACE	8 859.56	13 989.59	37 659.56	60 508.71
ROAD MAINTENANCE	2 835.00	2 205.00	2 100.00	7 140.00
SECURITY SERVICES	81 425.74	94 454.53	29 818.60	205 698.87
STATIONERY		28 904.54		28 904.54
STATIONERY	14 030.37	11 508.60		25 538.97
SW MAINTENANCE	10 801.50	15 968.99		26 770.49
SW MAINTENANCE	14 494.70			14 494.70
SWEEPING OF STREETS	623.72	2 494.88		3 118.60
TOOL HIRE	3 229.24	3 313.16	1 880.05	8 422.45
TOOLS & EQUIPMENT	267 805.95	314 911.22	2 539.87	585 257.04
TRANSPORTING SERVICES	9 040.00	26 500.00		35 540.00
UPHOLSTERY	6 740.00			6 740.00
WEED CONTROL	22 824.28	7 970.00		30 794.28
Grand Total	4 220 945.39	6 829 478.14	3 983 867.62	15 034 291.15

SPEND ANALYSIS – LOCAL SUPPLIERS

Generic	(All)
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Sum of Order Total	Column Labels			
Row Labels	Apr-18	May-18	Jun-18	Grand Total
3 MP SALES & EDUCATIONAL SERVI	8 755.25	14 719.30	6 955.41	30 429.96
4 GARDENS NURSERY CC			4 500.00	4 500.00
AAD TRUCK & BUS (PTY)LTD t/a T	112 469.53	52 238.56		164 708.09
AH WINDVOGEL	33 459.92	31 583.59	3 580.00	68 623.51
ANIL M JESSA CC 1998/072695/23	0.00	19 662.70		19 662.70
APPELSBOS TRUST		3 116.24		3 116.24
ARENDSE KONSTRUKSIE	8 000.00	8 000.00		16 000.00
ARISE WELDING (PTY) LTD		6 414.58	1 065.00	7 479.58
ATLANTIC OIL (LTD) LTD	15 147.15	13 491.26	5 587.32	34 225.73

BJR GENERAL TRADING CC	2 093.00	3 053.25	1 569.75	6 716.00
C DE VILLIERS ELEKTRIES BK	4 610.20	9 016.00	2 121.99	15 748.19
CAROLINE 36 CC H/A HI WAY BAND	2 160.00	1 950.00		4 110.00
D.H.G. SWANEPOEL	700.00	1 045.00	1 540.00	3 285.00
DAMINGOS PTY LTD	4 943.72	30 174.88		35 118.60
DE JAGER ELEKTRIES	409.70		7 650.00	8 059.70
DELL COMPUTERS (PTY)LTD		6 583.75		6 583.75
DENISE CARSTENS	280.00			280.00
DEWSU NELSON	380.00		560.00	940.00
DJ PRINS	10 320.75			10 320.75
DPI TRADING	17 370.75	598.00		17 968.75
DROSTDY BAKWERKE CC	2 295.00			2 295.00
DS MARTIN	14 427.36	14 728.91		29 156.27
E THEUNISSEN T/A LANGE BERG BUL	9 755.20	7 573.80	12 019.20	29 348.20
EL ADAMS	4 145.40			4 145.40
EMERALD FIRE 204 CC T/A SK LOO		20 980.03		20 980.03
ESKOM HOLDINGS SOC LIMITED		1 229.24		1 229.24
FABERS CONSTRUCTION AND SUPPLY	421.00			421.00
FABRICIUS TREKKERS EN IMPLEMEN	2 761.06			2 761.06
FAM GENOTE PTY LTD T/A TRUST P	10 323.32	26 401.72		36 725.04
FRANCOIS M JOUBERT		3 937.50		3 937.50
FS ALGEMENE DIENSTE (PTY) LTD	10 001.00	7 993.00	5 922.00	23 916.00
FULL SCORE TRADING 136 CC T/A	1 851.11			1 851.11
GC MARTIN	22 121.92	25 595.44	23 326.04	71 043.40
GEODEBT SOLUTIONS	227 242.05	113 821.07		341 063.12
HEIN'S AUTO ELECTRICAL CC		552.00	1 235.10	1 787.10
HOEK'S BAKWERKE BK	1 863.00			1 863.00
HOEK'S TOYOTA (PTY)LTD	416.28	2 059.51		2 475.79
IB BESTER BK			1 440.25	1 440.25
JACOBUS HARTNICK	2 700.00	2 700.00		5 400.00
JACQUES TAYLOR	9 460.00			9 460.00
JAN SWANEPOEL	21 809.28	11 815.00	2 020.00	35 644.28
JD IMPLEMENTE (PTY) LTD	1 294.33			1 294.33
JM CARELSE	8 329.04	28 846.64	2 100.00	39 275.68
JOHAN KEMP	17 634.56	16 784.56	6 159.56	40 578.68
JULANA GENERAL SERVICES	360.00	540.00		900.00
KAAP AGRI BEDRYF LTD	51 146.53	23 089.03	74.77	74 310.33
KAREL MOKATE	0.00			0.00
LA POP MATERIAALMARK BK	2 670.00			2 670.00
LAWN RANGERS SWD (PTY) LTD		3 031.33		3 031.33
LEATITIA BOTHA	200.00	900.00		1 100.00
LEZMIN 1711 CC 200204455523 T/			11 845.00	11 845.00
LEZMIN 1711 T/A COASTAL HIRE	3 229.24	3 313.16	1 880.05	8 422.45

LEZMIN 1712 CC	47 031.00	88 320.00	28 175.00	163 526.00
LEZMIN 1715 BK T/A LANGEBERG T		7 561.24		7 561.24
LEZMIN 1716 CC T/A LOTZ SIGNS	2 722.00	1 985.00		4 707.00
LEZMIN 2208 BK H/A AGRI WORLD	90 658.00	91 425.00		182 083.00
MASTERMAC AUTO REPAIRS PTY LTD	45 922.47	27 377.47		73 299.94
MI STOFFEERDERS (PTY) LTD	4 940.00			4 940.00
MORNE'S CATERING AND DECOR (PT	3 290.00	500.00		3 790.00
NORTHERN KEYS LOCKSMITHS (PTY)	1 575.00	2 650.00		4 225.00
OK GROCER SWELLENDAM	1 050.00	1 985.94		3 035.94
PARKERS AND PARTNERS (PTY) LTD	10 581.19	6 270.36	2 799.60	19 651.15
PC CONNECTION IT CONSULTING (P	65 258.02	68 918.72	4 040.00	138 216.74
PNA SKRYFBEHOEFTE	1 842.80	1 416.60		3 259.40
POTGIETER BROERS GRONDVERSKUIW	14 145.00	11 615.00		25 760.00
POWER RUSH TRADING 12 (PTY) LT	11 325.31	1 726.28	950.00	14 001.59
PREMIUM COMPUTERS & STATIONERS	2 945.40	10 092.00		13 037.40
R62 QUALITY CONTROL & CIVILS P	1 330.00			1 330.00
RAILTON FOUNDATION SWELLENDAM			1 500.00	1 500.00
REGINALT EDEO MARAIS	4 980.00			4 980.00
RODNEY DAVID COETZEE	1 800.00			1 800.00
ROLA AUTO PTY LTD	352.75			352.75
SECURISAT (PTY) LTD			803.85	803.85
SENTRAAL-SUID KOOPERASIE BEPER	71 627.51	64 792.11	22 158.28	158 577.90
SUPREME PEST CONTROL & HYGIENE		1 227.00		1 227.00
SWD BANDEDIENS (PTY) LTD	57 849.04	70 844.12	2 543.44	131 236.60
SWD BEARINGS (PTY) LTD	477.25	448.50		925.75
SWELLEN KONSTRUKSIE (PTY) LTD	162.00	3 216.00		3 378.00
SWELLENDAM GRASSNYERS	23 302.81	11 426.05	2 233.85	36 962.71
SWELLENDAM MEUBELMARK		16 145.92		16 145.92
SWELLENDAM PLAAGBEHEER	3 800.00			3 800.00
SWELLENDAM VERF & DEKOR (EDMS)	616.73	1 127.50		1 744.23
THE ROUTE 62 STOP CC	564.80	584.40	617.20	1 766.40
TONY SWANEPOEL SLAGTERS BK		359.50		359.50
TREND MANIA 1022 CC T/A OVERBE		27 945.00		27 945.00
TREVOR DAVIDS	9 040.00	22 000.00		31 040.00
TVM KONSTRUKSIE (EDMS) BPK	46 325.71	37 742.78	9 476.00	93 544.49
UBUSI BEEKEEPING APICULTURE IN	230.00			230.00
WM MCKELVIN T/A SWELLENDAM AUT	25 901.97	40 988.24	2 050.57	68 940.78
ZUID COURANT PUBLICATIONS (PTY	7 959.19	6 220.42	11 035.88	25 215.49
Grand Total	1 207 162.60	1 144 450.20	191 535.11	2 543 147.91

The municipality placed orders with a total value of R15 034 291 for the 4th quarter of which R2 543 147 were spend locally. This represents a local spending of **17%**. However, when taking out the value of the construction contracts (which requires a high CIDB grading and not locally available) a **32%** local spending is realised.

12.3 Receiving and distribution of goods

The receipt and issuing of goods are be recorded timeously at the stores department. The way goods are currently distributed should however be reconsidered taking into account the cost involved. It is recommended that where practical a central point be used for the receiving and distribution of specified goods.

12.4 Vendor performance, maintenance and contract administration

Vendor performance is continuously monitored and problems are promptly addressed by this office as it become known. Vendor records are updated on a regular basis however the management and administration of contracts are not on standard. This need to receive the necessary attention and resources for improvement.

12.5 Disposal of assets

None

13. RECOMMENDATION

1. That cognisance be taken of the report.
2. That the report be made public in accordance with section 21A of the Municipal Systems Act.