

ANNEXURE E



QUARTERLY REPORT TO THE MUNICIPAL COUNCIL IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY [UMGUNGUNDLOVU DISTRICT MUNICIPALITY]

(As per Section 6(1)(3) of the Municipal SCM Regulations)

SCM Quarter 2 Report 2023-2024

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1. Introduction

In terms of clause 6(1)(3) of the Municipal Supply Chain Management Regulations, 2005, which deals with the Oversight role of council of municipality or board of directors of municipal entity:

- (1) *The council of a municipality and the board of directors of a municipal entity must maintain oversight over the implementation of its supply chain management policy.*
- (3) *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 of the municipality.*

2. SCM Policy & Procedures

2.1 Adoption of Policy by Council

Date and Resolution – 27 January 2023

2.2 SCM Procedures

List procedures that are in place – A Procedure Manual is in place

2.3 Delegations

Are SCM Process Delegations in place? – Yes

2.4 Infrastructure Procurement

Has Council adopted the Standard for Infrastructure Procurement and Delivery Management? – Yes (28 June 2019)

3. Functioning of the SCM Unit (phrase as questions)

3.1 SCM Structure:

Is there an approved Structure in place? - Yes

3.2 Declaration of Interest:

Have all SCM Personnel declared their interests? - Yes

3.3 Code of Conduct for SCM Practitioners:

Have all SCM Personnel signed the Code of Conduct? - Yes

3.4 Training of SCM Personnel:

Have all SCM Personnel been trained? – Yes

4. Functioning of Bid Committees

4.1 Are Bid Committees constituted in line with Regulations 27, 28 & 29? - Yes

4.2 Are Infrastructure Committees aligned with Infrastructure Delivery Management System (IDMS)? – Yes

4.3 Are Bid Committee Terms of Reference in place? - Yes

4.4 Number of Bid Committee Meetings held during the reporting period - 09

5. Reporting Items

5.1 Deviations

5.1.1 Section 114 (Approval of tenders not recommended)

Date of Award	Bid No.	Description of Goods/Services/Works	Award Value	BEC Recommendation	BAC Recommendation	Reason for Deviation	Notifications		
							AG	PT	NT
N/A									

5.1.2 Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)

Date of Award	Contract Description	Award Value	Service Provider	Name of Contract Owner (Department / Municipality)	Consent obtained from Organ of State and Service Provider		Reason for Deviation	PT Decision	
					Yes	No		Approved	Not Approved
N/A									

5.1.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)

Description of Goods/Services/Works	Date of Award	Awarded To	Award Value	Reason for Deviation	Date reported to Council
N/A					

5.1.4 Regulation 16(c) and 17(1)(c) - Reporting for Less than 3 Quotations

SUPPLIER	DESCRIPTION	ORDER NO.	No. of Quotes Received	AMOUNT
CORNERSTONE MAPPING	SPATIAL CAPTURE/UPDATES OF RURAL RESIDENCE'S BOUNDARIES	UMDM03068	1	R 192 124.00
SILVER SOLUTIONS 3314	REPAIR OF YOGA 530-141KB LAPTOP (IDEAPAD)	UMDM03089	2	R 8 388.10
SUPER T TRADING	PURCHASE OF 70 MICRON GENERAL PURPOSE PLASTIC SHEETING FOR DISASTER MANAGEMENT	UMDM03103	1	R 54 600.00
INSTITUTE FOR LOCAL GOVERNMENT MANAGEMENT	PAYMENT OF A CONFERENCE FEE FOR DR E.X MUTHWA	UMDM03109	1	R 5 000.00
ASTRA TRAVEL	FLIGHT BOOKING FOR DR EX MUTHWA	UMDM03110	1	R 9 250.52
BELE TRAVEL AGENCY	ACCOMMODATION BOOKING FO DR EX MUTHWA	UMDM03111	1	R 10 620.00
NELA LAHLE117	SKILLS DEVELOPMENT TRAINING AND FACILITATION FOR 20 EPWP PARTICIPANTS FOR UMDM	UMDM03113	2	R 48 000.00
LMS SOLUTIONS	HOD FURNITURE FOR COMMUNITY SERVICES	UMDM03122	1	R 88 000.00

SUPPLIER	DESCRIPTION	ORDER NO.	No. of Quotes Received	AMOUNT
REGENT OFFICE FURNITURE	FURNITURE FOR COMMUNITY SERVICES	UMDM03123	2	R 138 584.20
PK VALVES	PLUMBING MATERIAL	UMDM03127	2	R 36 297.45
DIMCOMP AZERO	REPAIR OF HP DESIGNJET T2300 PLOTTER	UMDM03131	2	R 2 587.50
NJAJA PTY LTD	ADVERT RE MAYORAL GOOD LUCK MESSAGE TO CLASS OF 2023	UMDM03144	2	R 17 360.00
EPITOMELY PRM	ADVERT-SMME SUPPORT PROGRAMME	UMDM03148	2	R 8 970.00
SUPER T TRADING	PURCHASE OF 89 FOOD PARCELS	UMDM03157	1	R 174 262.00
GIJIMA HOLDINGS	COMPETENCY ASSESSMENT OF 1× CANDIDATES	UMDM03162	2	R 7 200.00
STILL MAC PRINTING AND TRADING	ACCOMMODATION FOR TEAMS, COUNCILLORS, SENIOR MANAGEMENT AND SUPPORT OFFICIALS FOR SALGA KZN DSAC GAMES 2023	UMDM03188	1	R 1 963 634.00

SUPPLIER	DESCRIPTION	ORDER NO.	No. of Quotes Received	AMOUNT
SUPER T TRADING	PURCHASE OF 97 FOOD PARCELS	UMDM03189	1	R 194 926.00
PRO SECURE	SUPPLY AND SERVICING OF FIRE EXTINGUISHERS	UMDM03190	1	R 42 182.00
ESRI SOUTH AFRICA	GIS SOFTWARE MAINTANANCE RENEWAL	UMDM03191	1	R 247 104.41
CLASSIC EVENTS SOUND AND MARQUEES	PURCHASE OF PLAYING KITS FOR NETBALL, TABLE TENNIS, VOLLEYBALL AND GAMES	UMDM03193	2	R 37 968.69
GNS TRADING CONSULTANT	TRAINING FOR 9 ENVIRONMENTAL HEALTH PRACTITIONER & 3 ENVIRONMENTAL HEALTH ASSISTANTS NQF 4	UMDM02895	2	R 78 000.00
CANNADANCE ENTERNMENT	BLAZERS FOR UMDM DISABILITY PARLIAMENT DELEGATES	UMDM03198	1	R 20 125.00
RHEOCHEM	WATER CHEMICALS	UMDM03202	2	R 106 191.00
NJAJA PTY LTD	MAYORAL RADIO INTERVIEW: 06 DECEMBER 2023	UMDM03204	2	R 29 500.50

SUPPLIER	DESCRIPTION	ORDER NO.	No. of Quotes Received	AMOUNT
METROFILE	PROVISION OF OFF-SITE STORAGE FACILITIES AND RENDER DOCUMENT MANAGEMENT SERVICES FOR UMDM FOR A PERIOD OF 12 MONTHS	UMDM03209	2	R 51 244.00
CANNANCE ENTERTAINMENT	PURCHASE PLAYING KITS FOR THE SALGA KZN DSAC GAMES 2023	UMDM03206	2	R 62 412.80
MICROSOFT IRELAND OPERATIONS LIMITED	MICROSOFT SOFTWARE LICENCE RENEWAL FOR 36 MONTHS	UMDM03220	1	R 2 428 446.80
BHAZABHAZA TRADING	10 TROPHIES FOR AWARDS AT IMPENDLE:15 DECEMBER 2023	UMDM03224	2	R 16 000.00
SUPER T TRADING	PURCHASE OF 250 PLASTIC SHEETS	UMDM03227	2	R 195 000.00
SIYAVAYA CORPORATE TRAVEL	ACCOMMODATION FOR MRS MBALI NDLOVU FOR THE CITIZEN CENTRED SERVICE DELIVERY TRAINING	UMDM03230	1	R 7 080.00
CLASSIC EVENTS SOUND AND MARQUEES	VENUE AND CATERING FOR STAKEHOLDER ENGAGEMENT WITH AMAKHOSI-11 DECEMBER 2023	UMDM03193	1	R 34 700.00
FIRST TECHNOLOGY KWAZULU NATAL	8 LENOVO THINKPAD L14 i5 OR EQUIVALENT LAPTOPS	UMDM03246	2	R 197 680.40

SUPPLIER	DESCRIPTION	ORDER NO.	No. of Quotes Received	AMOUNT
CAZ TRADING	SPATIAL CAPTURE AND UPDATING OF DISTRICT MUNICIPAL ASSETS REGISTER	UMDM03256	1	R 188 244.00
NJAJA PTY LTD	ADVERTISEMENT OF THE MAYORAL CHRISTMAS MESSAGEFOR UMGUNGUNDLOVU DISTRICT MUNICIPALITY	UMDM-MO-2023-098	1	R 14 959.90

5.2 Unauthorised, Irregular, Fruitless & Wasteful Expenditure

- i) Template as per MFMA Circular 68 to be utilized - Yes*
- ii) Submission of register to PT - Yes*
- iii) Report as per KZN Municipal Circular 04 of 2017/18 - Yes*

5.3 Central Suppliers Database (CSD)

- i) Access / challenges – N/A*

5.4 Procurement Plan Implementation

- i) Format of Procurement Plan as per Circular 62 (Annexure B) - Yes*
- ii) Report on implementation as per KZN Municipal Circular 04 of 2017/18- Yes*

5.5 Bids Awarded > R100K

BIDDER	BID DESCRIPTION	AWARD DATE	AWARD VALUE	CONTRACT SIGNED	CONTRACT DURATION
CORNERSTONE MAPPING	SPATIAL CAPTURE/UPDATES OF RURAL RESIDENCE'S BOUNDARIES	03-Oct-23	R 192 124.00	03-Oct-23	ONCE-OFF
IMVELWENI TRADING ENTERPRISE	PARTITIONING OF ROOM AND UPPER FLOOR FOR NEWHANOVER FIRE STATION	10-Oct-23	R 161 000.00	10-Oct-23	ONCE-OFF
SOMANTIYA PROJECTS	PLUMBING MATERIAL	12-Oct-23	R 113 983.75	12-Oct-23	ONCE-OFF
SOMANTIYA PROJECTS	FREE & TOTAL CHLORINE PORTABLE PHOTOMETER WITH CAL	12-Oct-23	R 188 604.00	12-Oct-23	ONCE-OFF
VEENA KANDHAI	PLUMBING MATERIAL	18-Oct-23	R 147 188.50	18-Oct-23	ONCE-OFF
REGENT OFFICE FURNITURE	FURNITURE FOR COMMUNITY SERVICES	19-Oct-23	R 138 584.20	19-Oct-23	ONCE-OFF
KFC PIPES AND FITTING	PLUMBING MATERIALS	19-Oct-23	R 105 084.70	19-Oct-23	ONCE-OFF
VK DISTRIBUTORS	PLUMBING MATERIAL	08-Nov-23	R 162 041.90	08-Nov-23	ONCE-OFF
SUPER T TRADING	PURCHASE OF 89 FOOD PARCELS	08-Nov-23	R 174 232.00	08-Nov-23	ONCE-OFF
MFANAYASHINGA (PTY)LTD	PURCHASE OF 250 EMERGENCY BLANKETS FOR DISASTER MANAGEMENT	03-Nov-23	R 167 500.00	03-Nov-23	ONCE-OFF
LULONKEMMZ (PTY)LTD	REGRAVELLING OF MAHLUTSHINI PHASE 1	14-Nov-23	R 139 200.00	14-Nov-23	ONCE-OFF
PK VALVES	PLUMBING MATERIAL	14-Nov-23	R 129 375.00	14-Nov-23	ONCE-OFF

BIDDER	BID DESCRIPTION	AWARD DATE	AWARD VALUE	CONTRACT SIGNED	CONTRACT DURATION
STILL MAC PRINTING AND TRADING	ACCOMMODATION FOR TEAMS, COUNCILLORS, SENIOR MANAGEMENT AND SUPPORT OFFICIALS FOR SALGA KZN DSAC GAMES 2023	17-Nov-23	R 1 963 634.00	17-Nov-23	ONCE-OFF
SUPER T TRADING	PURCHASE OF 97 FOOD PARCELS	17-Nov-23	R 194 926.00	17-Nov-23	ONCE-OFF
ESRI SOUTH AFRICA	GIS SOTFWARE MAINTANANCE RENEWAL	20-Nov-23	R 247 104.41	20-Nov-23	12 MONTHS
DIYA VALVES INTERNATIONAL	PLUMBING MATERIAL	23-Nov-23	R 173 518.90	23-Nov-23	ONCE-OFF
RHEOCHEM	WATER CHEMICALS	27-Nov-23	R 106 191.00	27-Nov-23	ONCE-OFF
NGUNI CONSULTING	CONDUCTING FEASIBILITY STUDY	29-Nov-23	R 1 097 000.00	29-Nov-23	ONCE-OFF
ABSOLUTE HEALTH SERVICES	TRAINING OF 80 INTERNAL STAFF ON FIRST AID NQF 1,2 & 3	29-Nov-23	R 180 980.68	29-Nov-23	ONCE-OFF
SKYSTAR TRADING ENTERPRISE	CATERING FOR TEAMS AND OFFICIALS: SALGA KZN DSAC GAMES 2023	29-Nov-23	R 748 164.70	29-Nov-23	ONCE-OFF
MICROSOFT IRELAND OPERATIONS LIMITED	MICROSOFT SOFTWARE LICENCE RENEWAL FOR 36 MONTHS	30-Nov-23	R 2 428 446.80	30-Nov-23	36 MONTHS
KFC PIPES AND FITTING	PLUMBING MATERIALS	01-Dec-23	R 166 673.53	01-Dec-23	ONCE-OFF
UNESU TRADING ENTERPRISE	CARPORT AT IMPENDLE FIRE STATION	01-Dec-23	R 106 459.00	01-Dec-23	ONCE-OFF
SUPER T TRADING	PURCHASE OF 250 PLASTIC SHEETS	01-Dec-23	R 195 000.00	01-Dec-23	ONCE-OFF

BIDDER	BID DESCRIPTION	AWARD DATE	AWARD VALUE	CONTRACT SIGNED	CONTRACT DURATION
FIRST TECHNOLOGY KWAZULU NATAL	8 LENOVO THINKPAD L14 i5 OR EQUIVALENT LAPTOPS	08-Dec-23	R 197 680.40	08-Dec-23	ONCE-OFF
PK VALVES	PLUMBING MATERIAL	11-Dec-23	R 132 434.00	11-Dec-23	ONCE-OFF
MAKHOPHILA TRAINING	EXCEL TRAINING FOR 20 OFFICIALS	14-Dec-23	R 120 000.00	14-Dec-23	ONCE-OFF
NDUMISO CONTRACTORS AND AIRCONDITIONING SERVICES	AIRCINDITIONING UNITS AT 176 AND 142 LANGALIBALELE STREET OFFICES FOR UMDM	11-Dec-23	R 106 500.00	11-Dec-23	ONCE-OFF
CAZ TRADING	SPATIAL CAPTURE AND UPDATING OF DISTRICT MUNICIPAL ASSETS REGISTER	12-Dec-23	R 188 244.00	12-Dec-23	ONCE-OFF
(VEENA KANDHAI) VK DISTRIBUTORS	PLUMBING MATERIAL	18-Dec-23	R 129 231.25	18-Dec-23	ONCE-OFF
DRAGER SOUTH AFRICA	PURCHASE OF 6 BREATHING APPARATUS FULL SERTS FOR FIRE SERVICES UNIT	19-Dec-23	R 155 188.94	19-Dec-23	ONCE-OFF
MADUVANE TRADING ENTERPRISE	PLUMBING MATERIAL	07-Dec-23	R 120 000.00	07-Dec-23	ONCE-OFF

5.6 Municipal Bid Appeals

- i) Bids appealed – N/A
- ii) Appeal status: N/A

5.7 Contract Management

5.7.1 Contracts Register Statistics

No. of Current Contracts	No. of Contracts about to expire in <6 months	No. of Expired Contracts but still in use
499	8	0

Contracts due to expire within 6 months

<u>CONTRACT NO.</u>	<u>BIDDER AND DESCRIPTION</u>	<u>EXPIRY DATE</u>
7/3/82	First National Bank Provision Of Banking Services For uMgungundlovu District Municipality	2024/05/31
7/3/320	Hidrotech Infra (Pty) Ltd Mpolweni Water Supply Scheme	2024/04/24
7/3/350	The Angel Falls Family Trust Leasing of Mooi River Fire Station	2024/03/31
7/3/329	Soundrite Construction and Plant Hire The Installation of Pre-Cast Concrete VIP toilets.	2024/01/31
7/3/106	Ithala Development Finance Corporation Leasing of Unit 25 Howick Shopping Centre	2024/02/28
7/3/331	Aqua Transport and Plant Hire (Pty) Ltd Provision of Water Tankering	2024/04/30
7/3/336	Afriscan Construction (Pty) Ltd Nkanyezini Secondary Bulk Water Supply Scheme	2024/04/11
7/3/485	Siyathuthu Development T/A Inzuzo Yesizwe Planning and Economic Development	2024/05/16

5.7.2 Variations

i) Variations within 15% or 20%

CONTRACT NO.	CONTRACT DESCRIPTION	ORIGINAL CONTRACT VALUE	REASONS FOR VARIATION	AMOUNT
uMDM-MO-2023-097	Provision of transport services for the SALGA Games - Additional Services	R 349 993.75	Additional transport services requested during the SALGA Games.	R 34 787.50

ii) Variations above 15% or 20% (Comply with MFMA S116(3))

Contract No.	Description	Contract Value	Reasons for Variation	Amount	Date Tabled at Council	Date of Notice to Community
7/3/459	Royal Haskoning DHV Consulting Engineers KwaMathwanya Water Supply Scheme Project	R 1 393 096.20	The purpose of extension is an increase in costs due to riots and protest action, increased costs due to amendments and additions to the Scope of Works, and increased costs due to Escalation costs of the project.	R 5 109 411.06	28 September 2023	October 2023
7/3/235	Scelo Business Consultants Lease of Emergency Response Vehicles	R 18 381 600.00	The purpose of extension is to allow the municipality to conclude with the existing SCM processes.	Rate Based	01 December 2023	14 December 2023

5.7.3 Supplier Performance Management

CONTRACT NO	DESCRIPTION	Name of Contractor	Date of Supplier performance assessment	Supplier Performance Assessment Report Compiled		Supplier performance assessment / performance rating
				Yes	No	
7/3/456	eFaye Phase 4- Water Supply Project	Makhaotse Narasimulu & Associates	29/11/2023	Yes		Good
7/3/457	Engineering Consulting: Nkanyezini Water Supply	ENSYNC Engineers	30/11/2023	Yes		Good
7/3/337	Water Quality Analysis	Talbot Laboratories (Pty) Ltd	04/12/2023	Yes		Good
7/3/458	Thokozani, Mpolweni & Claridge Water Supply Scheme	ENSYNC Engineering (Pty) Ltd	30/11/2023	Yes		Good
7/3/459	KwaMathwanya Water Reticulation Scheme	Royal Haskoning DHV	30/11/2023	Yes		Good
7/3/453	Installation & Refurbishment of Boreholes for all LM's	Pee 4 Eem Construction & Projects	30/11/2023	Yes		Satisfactory
7/3/319	uMshwathi Phase 4- Greater eFaye Reticulation Scheme	Icon Construction	30/11/2023	Yes		Good
7/3/336	Nkanyezini Secondary Bulk Water Supply Scheme	Afriscan Secondary Bulk Water Supply Scheme	30/11/2023	Yes		Good
7/3/442	Supply Water Quality Monitoring Services	Talbot Laboratories	30/11/2023	Yes		Good

CONTRACT NO	DESCRIPTION	Name of Contractor	Date of Supplier performance assessment	Supplier Performance Assessment Report Compiled		Supplier performance assessment / performance rating
				Yes	No	
7/3/226	Bulk Water Supply	uMgeni Water	30/11/2023	Yes		Good
7/3/317	Water Waste Agreement: UMgeni Local Municipality	uMgeni Water	30/11/2023	Yes		Good
7/3/318	Water Waste Agreement: All Local Municipality	uMgeni Water	30/11/2023	Yes		Good
7/3/235	Leasing of 4 New Emergency Response Vehicles	Scelo Business Consulting	04/12/2023	Yes		Good
7/3/320	Mpolweni Water Supply Scheme	Hidrotech Infra (Pty) Ltd	30/11/2023	Yes		Good
7/3/455	Review of the Water Services Development Plan	ENSYNC Engineering (Pty) Ltd	29/11/2023	Yes		Good
7/3/331	Supply of Water Tankers	Aqua Transport & Plant Hire (Pty) Ltd	08/12/2023	Yes		Satisfactory
7/3/351	Electrical & Mechanical Maintenance Services	Jade Star CC Trading as Electric & Pump Services	08/12/2023	Yes		Good
7/3/	Installation of Pre-Cast Concrete VIP Toilet Unit	Soundrite Construction and Plant Hire (Pty) Ltd	30/11/2023	Yes		Good

5.8 Logistics / Inventory Management

- i) Policy - **Yes**
- ii) Cycle counts – **Yes (weekly)**
- iii) Challenges
 - a. Additional Storage space required
 - b. High vacancy rate within the stores department
 - c. Additional support required for Stationary and Cleaning materials administration
- iv) Other activities – **N/A**

5.9 Unsolicited Bids

Description of Goods/services	Amount	Date Submitted to Council	Supported		Date submitted to Provincial Treasury	Supported	
			Yes	No		Yes	No
N/A							

5.10 E-Tender Portal

- i) Access - *Yes*
- ii) Bids published during the quarter – **Three**

6. Risk Management

6.1 Fraud Prevention Plan

Is there a Fraud Prevention Plan in place? – Yes

6.2 Internal Audit Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
N/A			

6.3 Provincial Treasury Assessment Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
Vacant Posts	Advertise critical posts in SCM		Incomplete. HR has re-advertised for the position of contracts administrator.

6.4 Auditor General Findings

Finding Raised	Action Plan to address the finding	Due Date	Progress with Action Plan Implementation
N/A			

7. Conclusion

That the report meets the requirements of the Supply Chain Management Regulations, Section 6(1) and KZN Municipal Amended Circular No. 04A of 2018/2019 by submitting the report to Council on the implementation of the supply chain management policy.