



QUARTERLY REPORT TO THE MUNICIPAL COUNCIL
IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY
UTHUKELA DISTRICT MUNICIPALITY
2021/2022 3rd QUARTER

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

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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 or the board of directors of the municipal entity, as the case may be.*

2. SCM Policy & Procedures

2.1 Adoption of Policy by Council

29 March 2021

2.2 SCM Procedures

List procedures that are in place (indicate ie. Procedure manual)

Supply chain management Procedure manual

2.3 Delegations

Are SCM Process Delegations in place?

2.4 Infrastructure Procurement

Has Council adopted the Standard for Infrastructure Procurement and Delivery Management?

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)?

No

4.3 Are Bid Committee Terms of Reference in place?

Yes

4.4 Number of Bid Committee Meetings held during the reporting period.

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
Supply and delivery of chemicals	24/03/2022	Mgazi Engineering	R 2 614,212.95	Impractical to follow SCM processes	
Supply and delivery of chemicals	30/03/2022	Mgazi Engineering	R 362,250.00	Impractical to follow SCM processes	
Supply and delivery of chemicals	24/03/2022	Mgazi Engineering	R 8 301,804.00	Impractical to follow SCM processes	

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*

SCM officials have access to CSD

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

Bid No.	Bid Description	Award Value	Award Date	Date Contract Signed	Contract Start Date	Contract Duration
14/2021-PRS	Asset Management System and support for 3 years	R 4 418,873.70	11/01/2022			3 years
16/2021-RAM	Management of the RRAMS Grant for 3 years	R 7 188,038.44	11/01/2022			3 years
17/2021-UEDA	Hiring of Office Space for 3 years	R 1 800,300.34	11/01/2022			3 years

5.6 Municipal Bid Appeals

i) *Bids appealed*

VAT Review/Recovery for a period 36 months 09/2021-FIL

ii) *Appeal status*

Ongoing

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
Contracts Register		

5.7.2 Variations

i) Variations within 15% or 20%

Contract No.	Contract Description	Contract Value	Reasons for Variation	Amount
N/A				

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
N/A					

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	

5.8 Logistics / Inventory Management

i) Policy

Is in place

ii) Cycle counts

3rd quarter 2021/2022 stock counts done

iii) Challenges

No funds to make stores more secure

iv) Other activities

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

13/2021-FIL Provision of banking services for a period of 36 months

6. Preferential Procurement Policy Framework Act (PPPFA), Regs2017

6.1 Contracts with Pre-Qualification (Regulation 4)

Contract Description	Pre-Qualification Criteria	Award Value	Date of Award
On hold			

6.2 Contracts with Objective Criteria (Section 2(1)(f) PPPF Act)

Contract Description	Objective Criteria	Award Value	Date of Award
On hold			

6.3 Contracts above R30 million (Contract Participation Goals) (Regulation 4)

Contract Description	Sub-Contracting Criteria	Award Value	Amount Sub-Contracted	Date of Award
On hold				

7. Local Content Procurement

Contract Description	Designated Sector	% Designated	Award Value	Date of Award	Reporting to DTI
N/A					

8. Risk Management

8.1 Fraud Prevention Plan

Is there a Fraud Prevention Plan in place?

Yes

8.2 Internal Audit Findings

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

8.3 Provincial Treasury Assessment Findings

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

8.4 Auditor General Findings

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

9. Conclusion

The Supply Chain Management Unit is continuously improving its processes and procedures in order to ensure that Council receives value for money in terms of demand and acquisition management. This process is done with the aim of giving reasonable assurance to the Council and communities of the Greater uThukela Area