

# MHLONTLO LOCAL MUNICIPALITY.



## SUPPLY CHAIN MANAGEMENT REPORT

### QUARTER 1

**2019-2020**

Prepared in terms of Municipal Finance Management Act no 56 of 2003, Chapter 11, National Treasury Regulations (6), and Preferential Procurement Policy Framework Act as amended with effect from the 07<sup>th</sup> of December 2011

## **PURPOSE**

The purpose of this report is to ensure that council maintains oversight role over the implementation of the Supply Chain Management Policy.

## **BACKGROUND**

The supply chain management policy and procedures applied by the municipality are in line with MFMA. The main pillars are:

- To ensure the efficient and effective uniform planning for procurement of all goods, services and works, required.
- Ensure a uniform management and disposal of goods and assets through a supply chain process
- Ensure and monitor good governance through supply chain processes.
- To ensure that Mhlontlo Municipality's strategic objectives as outlined in the IDP are achieved.

## **REVIEW OF THE POLICY**

At least annually, the Accounting Officer must review implementation of the policy and table it to council for adoption. The current financial year's review was done and adopted by council on the 29<sup>th</sup> of May 2019 (Resolution No 162/16-17).

## **SUPPLY CHAIN MANAGEMENT UNIT**

This unit operates under the Chief Financial Officer (CFO) and a Deputy Director reporting directly to the CFO. The Supply Chain Management Unit consists of one Deputy Director, one Assistant Director and one Financial Management Intern.

## **LIST OF ACCREDITED PROVIDERS**

The municipality's policy stipulates the following:

- 1) The Accounting Officer must-
  - a) Keep a list of accredited prospective service providers of goods and services that must be used for the procurement requirements through written or verbal quotations and forma written price quotation and;
  - b) At least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective service providers of goods and services to apply for evaluation and listing as accredited prospective providers;
  - c) Specify the listing criteria for accredited prospective providers; and
  - d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector

- 2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of service. Prospective providers must be allowed to submit applications any time.
- 3) The list must be compiled per commodity and per type of service.

All providers of goods and services were invited in April 2017 to register their businesses on the Central Supplier Database (CSD) as per National Treasury Regulation (Circular 81).

### **TRAINING OF SUPPLY CHAIN MANAGEMENT PRACTITIONERS**

The supply chain management policy also requires that all supply chain management practitioners must be trained.

- Trainings have taken place this quarter for our municipal staff (Infrastructure Procurement).

### **DELEGATION OF SUPPLY CHAIN MANAGEMENT POWERS AND DUTIES**

- (1) The accounting officer shall, in terms of section 79 Or 106 of the Act, sub-delegate any supply chain management powers and duties in writing, including those delegated to the accounting officer in terms of this policy, but any such sub-delegation must be consistent with sub-paragraphs (2) and (4) of the policy.

The Accounting Officer has not delegated any supply chain management powers and duties.

### **BID COMMITTEE STRUCTURES**

The following committees have been established:

- Specifications Committee, Evaluation Committee, Adjudication Committee

**Bids awarded of R200 000.00 and above.**

<b>PROJECT NAME</b>	<b>ADVERT CLOSING DATE</b>	<b>AWARDING DATE</b>	<b>NUMBER OF DAYS TO AWARD</b>	<b>DEPARTMENT</b>	<b>AMOUNT</b>	<b>SUPPLIER NAME</b>
Training for Sewing	28/03/2019	24/07/2019	81	LEDPARD	<b>R 288 000.00</b>	Ceeyes Instiute of Fashion JV Injiya trading and projects
Strategic environmental assessment	25/04/2019	24/07/2019	63	LEDPARD	<b>R 347 500.00</b>	Lulutho Services and Suppliers
Supply and deliver of Material for Informal Traders	14/05/2019	24/07/2019	70	LEDPARD	<b>R 320 500.00</b>	Zifuyele Trading Enterprise
Rehabilitation of Nyanisweni Access Road	15/03/2019	22/07/2019	87	ISD	<b>R 4 948 711.47</b>	Khwalo's Construction JV Phefumela Investments
Maintenance of Ngxakolo Access Road	15/04/2019	23/07/2019	68	ISD	<b>R 3 817 576.80</b>	Incline and Decline

Rehabilitation of Kwam-Gongo Access Road	15/04/2019	23/07/2019	68	ISD		<b>R 4 059 773.91</b>	Ndalo Civils JV Grandma
Rehabilitation of Zimbengweni Access Road	15/03/2019	23/07/2019	88	ISD		<b>R 5 684 531.13</b>	Tyekes Plant hire and construction
Completion of Qumbu town hall and Municipal offices	10/04/2019	31/07/2019	77	ISD		<b>R 13 926 405.44</b>	Zibele Construction
Provision of Travel agent services	15/04/2019	24/07/2019	69	BTO		<b>8%</b>	Sure Ukhanye Travels
Weigh Bridge	25/04/2019	02/08/2019	70	Community services		<b>R 750 000.00</b>	Mazosi Trading JV Blazingo's Trading
Completion of Toleni Community Development centre	18/04/2019	02/08/2019	73	LEDPARD		<b>R 1 737 705.20</b>	Lulwakhuyo construction JV Sivest Civil
Provision of Internal Auditing	15/07/2019	02/08/2019	15	Municipal Manager		<b>R 486 280.00</b>	Vuyelwa Mthanga Business advisory
Hydroponnic Tunnels	08/07/2019	15/08/2019	28	LEDPARD		<b>R 748 000.00</b>	Nondonda Construction
Mdeni Acces Road	15/07/2019	15/08/2019	23	ISD		<b>R 4 574 986.67</b>	Qumbuso Construction
Dumbu to Tina Falls Access Road	15/07/2019	15/08/2019	23	ISD		<b>R 7 736 509.64</b>	Mvumeza construction JV Ubuntu bam projects and construction

Construction of Qumbu Skills warehouse and Bricks Making Incubator	25/04/2019	10/09/2019	10	LEDPARD			Mzuyanda investmens JV Sir Gush Trading
						<b>R 1 298 138.10</b>	

## 1. DATABASE MANAGEMENT

The Central Supplier Database (CSD) system functions as a single database to serve as the source of all supplier information for national-, provincial- and local government as well as State Owned Entities (SOE's).

All suppliers are encouraged to register on the Central Supplier Database (CSD) as matter of urgency. The CSD is a self- registration process, which can be completed online.

Suppliers can go to the following web address to register [www.csd.gov.za](http://www.csd.gov.za).

As per National Treasury, with effect from 1 July 2016, Municipalities and Municipal Entities must use the CSD supplier number starting with (MAAA) which is auto generated by the Central Database System after successful registration and validation of the prospective provider as mandatory requirement as part of listing criteria for accrediting prospective provider in line with Section 14(1) (b) of the Municipal Supply Chain Management Regulations.

# QUALITY CERTIFICATE

I, \_\_\_\_\_ (Full Names), the Municipal Manager of Mhlontlo Municipality hereby certify that the **SCM Quarterly Report** for the quarter ended 30 September 2019 has been prepared in accordance with the Local Government: Municipal Systems Act 2003 (Act 56 of 2003) and regulations made under the Act.

\_\_\_\_\_  
S.G. Sotshongaye

\_\_\_\_\_  
DATE

ACTING MUNICIPAL MANAGER

## RECEIPT BY THE MAYOR

I, \_\_\_\_\_ (Full Names), the Mayor of **Mhlontlo Local Municipality**, hereby accept the **SCM Quarterly Report** of the municipality for the quarter ended 30 September 2019 as presented by the Municipal Manager in terms of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.

\_\_\_\_\_  
Cllr. N. Dywili

\_\_\_\_\_  
DATE

MAYOR

