

# MHLONTLO LOCAL MUNICIPALITY.



## SUPPLY CHAIN MANAGEMENT REPORT

### QUARTER 1

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 31st of May 2021 (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, and one Assistant Director and one Financial Management Intern.

### **1. DEMAND MANAGEMENT**

#### **1.1 UPDATE OF ACCREDITED PROSPECTIVE SUPPLIERS**

- **37 database forms were captured**

### **2. 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 formal 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.

**TRAINING OF SUPPLY CHAIN MANAGEMENT PRACTITIONERS**

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

- No training for this quarter for supply chain management practitioners due to COVID 19

**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.

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

PROJECT NAME	ADVERT CLOSING DATE	NUMBER OF DAYS TO AWARD	AWARDING DATE	DEPARTMEN T	AMOUNT
Financial management: Revenue enhancement debt management and actuarial valuation	15/04/2021	72 days	28/07/2021	BTO	As per rate

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Financial management: Revenue enhancement debt management and actuarial valuation	15/04/2021	72 days	28/07/2021	BTO	As per rate
Financial management: Review of financial statement	15/04/2021	72 days	28/07/2021	BTO	As per rate
Financial management: Review of financial statement	15/04/2021	72 days	28/07/2021	BTO	As per rate
Financial management: Review of financial statement	15/04/2021	72 days	28/07/2021	BTO	As per rate
Financial Management: Preparation and review of GRAP compliant asset register	15/04/2021	72 days	28/07/2021	BTO	As per rate
Financial Management: Preparation and review of GRAP compliant asset register	15/04/2021	72 days	28/07/2021	BTO	As per rate
Financial Management: Preparation and review of GRAP compliant asset register	15/04/2021	72 days	28/07/2021	BTO	As per rate
Competence assessment	25/06/2021	42 days	25/08/2021	Corporate Services	R10 184.58 per person
Framework contract to undertake Turnkey	07 July 2021	34 days	25/08/2021	ISD	R 22 620,00 per household

Construction of Ngxakolo access road	03/05/2021	81 days	26/08/2021	ISD	R 475 913.41
Construction of Khalankomo slab	03/05/2021	81 days	26/08/2021	ISD	R 469 730.50

#### 4. 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

# QUALITY CERTIFICATE

I, \_\_\_\_\_ (Full Names), the Municipal Manager of Mhlontlo Municipality hereby certify that the **Supply Chain Management Report** for the period ended 30 September 2021 has been prepared in accordance with the Local Government: Municipal Systems Act 2003 (Act 56 of 2003) and regulations made under the Act.

\_\_\_\_\_  
T.P. Mas

MUNICIPAL MANAGER

\_\_\_\_\_  
DATE

## RECEIPT BY THE MAYOR

I, \_\_\_\_\_ (Full Names), the Mayor of **Mhlontlo Local Municipality**, hereby accept the **Supply Chain Management Report** of the municipality for the quarter ended 30 September 2021 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

MAYOR

\_\_\_\_\_  
DATE

