

MHLONTLO LOCAL MUNICIPALITY.



SUPPLY CHAIN MANAGEMENT REPORT

QUARTER 3

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 07th 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 29th of May 2017 (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.

PROJECT NAME	ADVERT CLOSING DATE	AWARDING DATE	NUMBER OF DAYS TO AWARD	DEPARTM ENT	AMOUNT	SUPPLIER NAME
Construction of Mhlangala Access Road	19/12/2019	11/02/2020	36	ISD	R 7 198 258.20	Dwane JV SOSK Civil
Construction of Gungululu Access Road	19/12/2019	11/02/2020	36	ISD	R 6 297 547.09	ML 458 Holdings
Construction of Debeza Access Road	19/12/2019	11/02/2020	36	ISD	R 3 091 920.76	Tapelo Bulding Construction JV Tswella

Constraction of Machibini to Dumaneni Access road	19/12/2020	11/02/2020		ISD		R 3 999 514.69	Kethwa Plant Hire
Umqoluphandle construction	10/10/2019	09/03/2020	88 days	LEDPARD		R 315 162.00	Supply and delivery of Machinery and Equipment for Qhwesha Coffin Manufactures
Luphawu lwam trading enterprise	10/10/2019	09/03/2020	88 days	Community services		R 697 000.00	Installation of Galvanised Palisade Fencing and Galvanised Sliding Gate for Tsolo Waste Transfer Station
Mozi Auctioneer	17/09/2019	09/03/2020	105 days	Community services		7.5%	Animal Auction Sale

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.

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 period ended 31 March 2020 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. Mase

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 31 March 2020 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