

**8. SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT – 2014/2015:
4th QUARTER: 01 APRIL TO 30 JUNE 2015**

8/2/2

**CEM La Cock
10 July 2015**

(028) 313 8080

Hermanus Administration

1. Executive Summary

In terms of Clause 6(3) of Council's Supply Chain Management Policy, the Municipal Manager must, within 10 business days of each quarter, submit a report on the implementation of the Supply Chain Management Policy to the Executive Mayor.

The report contains the following:

- a) awards made through the bid committee system in terms of delegated authority,
- b) deviations from and minor breaches of the Supply Chain Management Policy, respectively approved and ratified by the Accounting Officer in terms of Clause 36 of the Supply Chain Management Policy, dated 25 September 2008 as amended,
- c) the status of Objections and Complaints lodged in terms of Clause 49 of the Supply Chain Management Policy against the implementation of the supply chain management system.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Finance
Department: Supply Chain Management

3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003)
Overstrand Municipality Supply Chain Management Policy dated 25 May 2008, as amended.

6. Background/Discussion/Evaluation/Conclusion**Background**

The purpose of this report is to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy, specifically regarding the following:

- a) awards made through the bid committee system for the 4th Quarter of the 2014/2015 financial year, 01 April to 30 June 2015;
- b) deviations in terms of Clause 36 of the Supply Chain Management Policy; and
- c) objections and complaints.

Discussion**a) Bid Awards**

Bids are awarded in terms of Council's Supply Chain Management Policy and the preferential points system prescribed in the Preferential Procurement Policy.

All awards between R30,000 up to R10 million were approved through the bid committee system.

Procurement transactions have been processed through the bid committee system within the following timeframes:

Procurement Function	2014/2015 4th Quarter	2014/2015 to date	2013/2014
Bids Processed	44	124	131
Bids Processed- Average per Quarter	44	31	33
Average days from final evaluation to Bid Adjudication Committee	7	7	8
Average days from initiation to Bid Specification Committee	8	7	7
Estimated Value of Awards (R)	76,856,916.32	326,565,347.41	181,586,965.21

A schedule of these awards for the 4th Quarter of 2014/2015 is attached as **Annexure A**.

Value of all Awards

The total value of tenders awarded by the Supply Chain Management Unit for the 4th Quarter of 2014/2015, is:

	Operational Amount (Excluding VAT, where applicable)	Capital Amount (Excluding VAT, where applicable)	VAT @ 14%	Value of Awards (Including VAT, where applicable) for Q4
Bid Awards (17)	59,850,120.90	7,649,533.71	9,357,261.71	76,856,916.32

b) Deviations – Clause 36(1)(a)

Clause 36(1)(a) of Council's Supply Chain Management Policy allows circumstances for deviations from the procurement processes. Furthermore, the policy requires in Clause 36(2), that the reasons for any deviations from the procurement processes must be recorded and be reported to Council.

Deviations approved by the Accounting Officer or by the delegated officials were motivated in terms of the following categories for applications approved for the 2014/2015 year to date is compared to the 2013/2014 financial year as per the following schedule:

SCM Policy	Description	2014/2015 4 th Quarter	2014/2015 to date	2013/2014
Clause 36(1)(a)(i)	Emergency	5	10	4
Clause 36(1)(a)(ii)	Sole Supplier	4	19	22
Clause 36(1)(a)(iii)	Special works of Art	0	2	0
Clause 36(1)(a)(v)	Impractical Impossible	17	55	67
		26	86	93

A schedule of all Deviations approved by the Municipal Manager or by the delegated officials for the 4th Quarter of 2014/2015 is attached as **Annexure B**.

Value of all Deviations awarded

The total value of deviations processed via the Supply Chain Management Unit for the 4th Quarter of 2014/2015, are as follows:

	Operational Amount (Excluding VAT, where applicable)	Capital Amount (Excluding VAT, where applicable)	VAT @ 14%	Value of Awards (Including VAT, where applicable) for Q4
Deviations (26)	2,247,577.10	R -	313,190.77	2,560,767.87

c) Objections and Complaints – Clauses 49 & 50

In terms of Clause 49 of the SCM Policy, persons aggrieved by decisions or actions taken in the implementation of the supply chain management system, may lodge a written objection against the decision or action within 10 business days of the decision or action.

These objections must be dealt with and resolved in terms of Clause 50(1) of the SCM Policy. In terms of this, the Accounting Officer has appointed an ‘appeals authority’ which must strive to resolve all objections within 46 business days of receipt and report to the Accounting Officer on a monthly basis on the objections received, attended to and resolved in terms of Clause 50(3) of the Policy.

A schedule of all disputes, objections, queries and complaints received for the 4th Quarter of 2014/2015 is attached as Annexure C.

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

- Annexure A: Schedule of Awards made through the Bid Committee system
- Annexure B: Schedule of Deviations from the procurement processes
- Annexure C: Schedule of disputes, objections, queries and complaints

RECOMMENDATION TO THE COUNCIL:

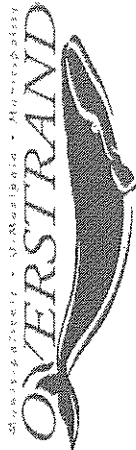
that **cognisance be taken** of the activities undertaken and outcomes achieved in the implementation of the Overstrand Municipality Supply Chain Management Policy for the 4th Quarter of 2014/2015.

RESPONSIBLE OFFICIAL :

R LA COCK

TARGET DATE FOR IMPLEMENTATION :

TO BE NOTED

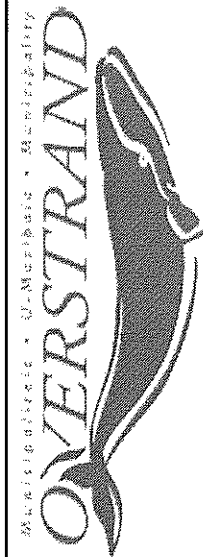


SUPPLY CHAIN MANAGEMENT REPORT IN TERMS OF CLAUSE 5(3) OF THE SCM POLICY

TENDERS & FORMAL WRITTEN QUOTATIONS AWARDED TO THE BIDDER SCORING THE HIGHEST POINTS AS WELL AS TENDERS CANCELLED IN TERMS OF COUNCIL'S PREFERENTIAL PROCUREMENT POLICY FOR THE 4TH QUARTER - APRIL TO JUNE 2015

#	Tender #	Description	Date Awarded / Cancelled	Awarded to	BBBEE Status Level	Completion Period	Unit Price	Amount Operational	Amount Capital	VAT @ 14%	Total Amount (Including VAT)
1	SC1524/2014	Supply & Delivery of Fleet vehicles on Hire Purchase	2015/05/15	Cancelled - Error in specifications	N/A	-	-	-	-	-	-
2	SC1552/2015	Provision of Auctioneering Services	2015/04/10	Claremont Auctioneers (Pty) Ltd Claremont Auction Group	Non-compliant Contributor	2017.06.30	-	-	-	-	-
3	SC1553/2015	Pruning and felling of trees in the Greater Hermanus area period ending June 2016	2015/05/08	Distinctive Choice 306 CC t/a Avante	3	2016.06.30	Various	R 255 000.00	-	N/A	R 255 000.00
4	SC1554/2015	The Provision of Training in Local Government Accounting (NQF 3) for Municipal Officials	2015/05/15	IBL 2000 CC	Non-compliant Contributor	2016.06.30	21 154.00	R 317 310.00	-	R 44 423.40	R 361 733.40
5	SC1555/2015	The Provision of Business Report and Text Writing Training (SAGA 12153) for Municipal Officials	2015/05/15	Imperial Crown Trading 785 (Pty) Ltd t/a Institute for Career Development	Non-compliant Contributor	2016.05.30	R 906.00 per learner	R 27 180.00	-	N/A	R 27 180.00
6	SC1556/2015	Supply and fit new tank/super structure for Fire Truck	2015/05/15	Cancelled - Non-compliance with procedural requirements as stated in Par 22(5) of the SCM Policy	N/A	-	-	-	-	-	-
7	SC1558/2015	Stormwater installation in Zwelithe	2015/04/17	ATN Group (Pty) Ltd	Non-compliant Contributor	2015.09.30	-	-	R 2 912 655.43	R 407 771.76	R 3 320 427.19
8	SC1559/2015	Lease of portion of the remainder of farm nr 581, Onrusshier, known as the Milkwood Restaurant for operating as a restaurant.	2015/05/08	CJ and JC Partnerships	Non-compliant Contributor	9 Years & 11 months	35 000.00	-	-	-	-
9	SC1560/2015	Transport of containerised Municipal solid waste & chipping of garden waste.	2015/06/05	Enviroserv Waste Management Ltd	4	2018.06.30	Various	R 27 398 850.00	-	R 3 835 839.00	R 31 234 689.00
10	SC1561/2015	Management of the Carstbaal Caravan Park for a contract period ending 30 June 2018	2015/06/05	Norman Stevens	Non-compliant Contributor	2018.06.30	9 800.00	R 374 391.00	-	N/A	R 374 391.00
11	SC1563/2015	Supply, deliver and replace pedestrian controller at Seventh Street Voelklip	2015/05/26	Cancelled - No bids received	N/A	-	-	-	-	-	-
12	SC1566/2015	Application of Road Markings on the Overstrand Municipal Road Network, for a contract period 1 July 2015 to 30 June 2018	2015/05/22	ATN Group (Pty) Ltd	1	2018.06.30	Various	R 1 200 000.00	-	R 168 000.00	R 1 368 000.00
13	SC1567/2015	Repair of the Town Hall's Roof: ERF 4460 Kleinmond	2015/05/27	Cancelled - insufficient funding	N/A	-	-	-	-	-	-
14	SC1568/2015	Sale of Erf 2925 (Portion of Erf 2627) Haawston, for Business Purposes	2015/06/12	Ozran 57 (Pty) Ltd	N/A	N/A	-	-	R 715 000.00	R 100 100.00	R 815 100.00
15	SC1569/2015	Sale of 22 Erven (Portions of Erf 2672) Hawston, for Residential Purposes	2015/06/12	Suppliers to All (Pty) Ltd	N/A	N/A	-	-	R 1 610 000.00	R 225 400.00	R 1 835 400.00

32	SC1604/2015	Renovation & Strengthening of De Wet Hall roof structure	2015/05/27	Cancelled - No bids received	N/A	-	-	-	-	-	-	-	-	-	-	-	-
33	SC1605/2015	Management of Short-term Insurance for Overstrand Municipality for period ending 30 June 2018	2015/06/29	Cancelled - No responsive bids received	N/A	-	-	-	-	-	-	-	-	-	-	-	-
34	SC1606/2015	Raising of old labour wall Hermanus	2015/05/27	Cancelled - No bids received	N/A	-	-	-	-	-	-	-	-	-	-	-	-
35	SC1607/2015	Cleaning of Sewerage Pump stations	2015/06/23	Abaphumeleli Trading 651 CC t/a Pollution Control Services	1	2016.06.30	Various	R	1 500 000.00	-	R	210 000.00	R	1 710 000.00	-	-	-
36	SC1610/2015	Two Mini Pavilions Mount leasant Sports grounds	2015/06/17	Masenda Trading CC	Non-compliant Contributor	2015.06.30	94 605.26	R	-	R	94 605.26	R	13 244.74	R	107 850.00	-	-
37	SC1611/2015	Renovation & Strengthening of De Wet Hall roof structure	2015/06/30	Masenda Trading CC	Non-compliant Contributor	2015.06.30	-	R	101 961.59	-	R	14 274.82	R	116 236.21	-	-	-
38	SC1613/2015	Supply and deliver fire and rescue equipment and replacement of vehicle emergency lights	2015/06/26	Marce Projects (Pty) Ltd	1	2015.06.30	128 920.00	R	128 920.00	-	R	18 048.80	R	146 968.80	-	-	-
39	SC1261A/2012	Amendment: Maintenance of water and wastewater infrastructure equipment - Work package 1: Boreholes and Reservoirs Amendment: Maintenance of water and wastewater infrastructure equipment - Work package 2: Water Pump Stations Amendment: Maintenance of water and wastewater infrastructure equipment - Work package 3: Wastewater Pump Stations Amendment: Maintenance of water and wastewater infrastructure equipment - Work package 4: Water Treatment Works Amendment: Maintenance of water and wastewater infrastructure equipment - Work package 5: Wastewater Treatment Works	2015/06/05	Water & Sanitation Services South Africa (Pty) Ltd (WSSA) Water & Sanitation Services South Africa (Pty) Ltd (WSSA) Hydro-Tech Systems (Pty) Ltd Hydro-Tech Systems (Pty) Ltd Hydro-Tech Systems (Pty) Ltd	N/A	2018.06.30	Various	R	3 232 425.00	-	R	452 539.50	R	3 684 964.50	-	-	-
40	SC1615/2015	Supply and Delivery of new Tires for 4x4 Fire Trucks for the Overstrand	2015/06/29	Fire Raiders (Pty) Ltd.	4	2015.06.30	12 637.10	R	50 548.40	-	R	7 076.78	R	57 625.18	-	-	-
41	SC1416B/2013	2nd Amendment: Replacement of water pipes: Roofs to Hermanus	2015/06/12	WBHO Construction (Pty) Ltd	N/A	2015.08.31	Various	R	-	R	1 928 673.02	R	270 014.22	R	2 198 687.24	-	-
42	SC1200A/2012	Amendment: Provision of Short-term Insurance Portfolio Management	2015/06/30	AON South Africa (Pty) Ltd	N/A	2015.10.31	-	R	413 369.33	-	R	57 871.71	R	471 241.04	-	-	-
43	SC1204A/2012	Amendment: Provision of Security Services for the Overstrand Municipal Area	2015/06/30	ADT Security Quintessential Security CC	N/A	2015.07.31	Various	R	88 185.95	-	R	12 346.03	R	100 531.98	-	-	-
44	SC1210C/2012	3rd Amendment: Maintenance and Support Services for the RF network and PABX system	2015/06/29	GUJIMA Holdings (PTY) Ltd	N/A	2015.09.30	-	R	184 099.81	-	R	25 773.97	R	209 873.78	-	-	-
										R	59 850 120.90	R	7 649 533.71	R	9 357 261.71	R	76 858 916.32



**SUPPLY CHAIN MANAGEMENT REPORT IN TERMS OF CLAUSE 5(3) OF THE SCM POLICY
DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE 4TH QUARTER - APRIL TO JUNE 2015**

#	Deviation #	Date Approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Value of the Deviation
1	SCD2797	2015/04/02	Clause 36(1)(a)(i)(a) (k&j)	Extinguishing of fires in the Kleinmond area on the 08 February 2015	Chief: Fire Officer, Smith L	FFA Aviation (Pty) Ltd	R 27 492.36		R 3 848.93	R 31 341.29
2	SCD2798	2015/04/02	Clause 36(1)(a)(v)	The annual maintenance, teletest and SAPO licence fees for the franking machine for Gansbaai en Hangklip/Kleinmond Administration	Manager: Council Services Support	Earlyworx 282 (PTY) LTD	R 2 715.27		R 380.13	R 3 095.40
3	SCD2799	2015/04/10	Clause 36(1)(a)(v)	Repair of hydraulic cylinder (CEM 26438)	Acting Manager: Fleet Frans F	Hydreco (PTY) LTD	R 9 725.00		R 1 361.50	R 11 086.50
4	SCD2800	2015/04/21	Clause 36(1)(a)(v)	Procurement of additional equipment required for the installation of an ICT Server cabinet in the Hermanus Server room.	Senior Manager: Systems Development, Johnson C	Cable's Cabling CC	R 13 315.00		R 1 864.10	R 15 179.10
5	SCD2801	2015/04/23	Clause 36(1)(a)(v)	Attendance of three municipal officials to the Regional Water Leakage Summit 2015 on the 23-24 June 2015.	Director: Infrastructure and Planning, Muller S	Nina Freyssen Consultants CC	R 10 500.00		R -	R 10 500.00
6	SCD2802	2015/04/30	Clause 36(1)(a)(v)	Servicing and/or repair of the Fire Services breathing apparatus, to ensure compliance with the OHASA Act of 1993, via a strip and quote process.	Chief: Fire Officer, Smith L	Drager South Africa (PTY) LTD	R 8 420.00		R 1 178.80	R 9 598.80
7	SCD2803	2015/05/07	Clause 36(1)(a)(ii)	Procurement of parts to repair Ursus tractors (CEM21823, CEM21927 and CEM 9402)	Acting Manager: Fleet - Frans F	Ursus South Africa (Pty) Ltd	R 14 449.00		R 2 022.86	R 16 471.86
8	SCD2804	2015/05/08	Clause 36(1)(a)(v)	Procurement of a DCRS recording machine for the Additional Court, with a three years maintenance agreement: period ending 30 June 2018	Legal Advisor: Noble C	Dimension Data (Pty) Ltd	R 105 569.84		R 14 779.78	R 120 349.62
9	SCD2806	2015/05/08	Clause 36(1)(a)(v)	Supply Chain Management Policy: The Provision of Professional Services for the establishment of market-related remuneration for top management	Director: Management Services, Arison D	Work Dynamics (Pty) Ltd	R 20 650.00		R 2 891.00	R 23 541.00
10	SCD2807	2015/05/08	Clause 36(1)(a)(i)	The payment of emergency fire fighting services for the period covering 28/02/2015 to 20/03/2015 as the magnitude of situation exceeded the municipality's own resources.	Chief: Fire Officer, Smith L	FFA Aviation (Pty) Ltd	R 1 031 148.01		R 144 360.72	R 1 175 508.73
11	SCD2808	2015/05/29	Clause 36(1)(a)(v)	Credits for a postage franking machine for Hermanus Administration	Manager: Council Support Services, Van Tonder H	Earlyworx 282 (Pty) Ltd	R 29 824.56		R 4 175.44	R 34 000.00
12	SCD2809	2015/05/28	Clause 36(1)(a)(v)	Seminar on Municipal Finance: Good Governance attended by eight municipal official	Deputy Director: Finance, Le Roux C	IMFO (Institute Municipal Finance Officers)	R 11 831.58		R 1 656.42	R 13 488.00
13	SCD2811	2015/05/20	Clause 36(1)(a)(v)	Procurement of two multifunctional office machines, which have been used by the municipality for the past three years through a monthly lease agreement, from an authorised distributor of Xerox machine	Senior Business Analyst: Van Asperden J	Cape Office Machines (Pty) Ltd	R 13 865.04		R 1 941.11	R 15 806.15

14	SCD2812	2015/05/29	Clause 36(1)(a)(v)	Repair of the provograph meters, which is used for monitoring the power quality on the utility net work	Senior Superintendent: Electro Technical Services Lourens DC	CT LAB (Pty) Ltd	R 6 854.00		R 959.56	R 7 813.56
15	SCD2813	2015/06/04	Clause 36(1)(a)(v)	Reconfiguration of all electrical metering due to the new tariff structure announce by Eskom as from 1 July 2015 and the auditing of all meters.	Senior Manager: Electrical Services, Du Plessis JH	PJ Technologies - Cape CC	R 23 532.00		R 3 294.48	R 26 826.48
16	SCD2814	2015/06/09	Clause 36(1)(a)(ii)	The grading of Kleinmond Beach for Blue Flag status, by the sole authorised organisation.	Senior Manager; Kleinmond, Lakey D	WESSA	R 20 000.00		R 2 800.00	R 22 800.00
17	SCD2815	2015/06/09	Clause 36(1)(a)(v)	Repair of the robot in Voelklip, to insure the safety of the road users and pedestrians	Chief: Traffic Services, Fraser R	Traffic Management Technologies	R 58 474.50		R 8 186.43	R 66 660.93
18	SCD2816	2015/06/03	Clause 36(1)(a)(v)	Repair of CEM 10226, that was damaged during the fire season and the servicing of the pump	Chief: Fire Officer, Smith L	Fire Raiders (Pty) Ltd	R 141 920.51		R 19 868.87	R 161 789.38
19	SCD2817	2015/06/08	Clause 36(1)(a)(v)	SCOA technology upgrade and runtime maintenance	Senior Manager: Systems Development, Johnson C	Payday Software Systems	R 20 158.85		R 2 822.24	R 22 981.09
20	SCD2818	2015/06/09	Clause 36(1)(a)(ii)	The evaluation and grading of Grotto and Hawston Beach in terms of the Blue Flag status programme, by the sole organisation authorised by the international Foundation for Environmental Education (FEE) to implement FEE programmes in South Africa.	Acting Area Manager; Hermanus, Burger P	WESSA	R 40 000.00		R 5 600.00	R 45 600.00
21	SCD2819	2015/06/09	Clause 36(1)(a)(ii)	Replacement of 16 memcor ultra filtration membranes at the water treatment plant in Pearty Beach by the sole distributor of memcor membranes Quality Filtration Systems CC	Manager: Operational, De Villiers J	Quality Filtration System CC	R 399 318.24		R 55 904.55	R 455 222.79
22	SCD2820	2015/06/22	Clause 36(1)(a)(v)	Provision of a workshop on Preferential Procurement; by a specialist Supply Chain Management and Local Economic Development.	Director: LED, Madikane S Ltd	Brasika Consulting (Pty) Ltd	R 4 844.74		R 678.26	R 5 523.00
23	SCD2821	2015/06/25	Clause 36(1)(a)(v)	The annual review of the municipality's long term financial plan for a contract period ending 30 June 2018, by the original developer of the financial plan.	Deputy Director: Finance; le Roux C	INCA Portfolio Managers (Pty) Ltd	R 191 016.00		R 26 742.24	R 217 758.24
24	SCD2822	2015/06/30	Clause 36(1)(a)(i)(a)(i) &(ii)	Working on fire ground teams in Kleinmond (17/02/2015) and Stanford (22/02/2015)	Chief: Fire Officer, Smith L	FFA Operations (PTY) LTD	R 8 458.74		R 1 184.22	R 9 642.96
25	SCD2823	2016/06/30	Clause 36(1)(a)(i)(a)(iii)	Locating of a fault on the MVV electrical cable by Caltest CC	Senior Manager: Electro Technical Services, Du Plessis JH	Caltest CC t/a Protection Testing	R 6 001.50		R 840.21	R 6 841.71
26	SCD2824	2015/06/30	Clause 36(1)(a)(i)(a)(i) &(ii)	Hiring of a Helicopter for fighting fires in Kleinmond on 08/02/2015.	Chief: Fire Officer, Smith L	FFA Aviation (PTY) LTD	R 27 492.36		R 3 848.93	R 31 341.29
							R 2 247 577.10	R	F 313 190.77	R 2 560 767.87

SUPPLY CHAIN MANAGEMENT											
APPEALS / COMPLAINTS / DISPUTES / QUERIES REGISTER - 2014/2015											
#	TENDER NO	Date Advert closed	Evaluation Date	Adjudication Date	Description	Awarded to	Complainant	Appeal / Complaint / Dispute / Query	Date received	Date of Outcome	Outcome
1	SC 1560/2015	2015/03/27	2015/05/28	2015/06/05	Transport of containerised Municipal solid waste & chipping of garden waste.	Enviroserve Waste Management Ltd	Wastema Holdings (Pty) Ltd	Claimed that the municipality was not transparent in awarding the tender	2015/06/26		Pending