

10. MONTHLY REPORT TO COUNCIL ON SUPPLY CHAIN MANAGEMENT (SCM) POLICY: PARAGRAPH 36, 16(1)(B) AND 17(1)(C), FOR APRIL 2015: SUBMISSION OF ADDITIONAL INFORMATION

8/2/2

**CEM La Cock
17 July 2015**

(028) 313 8080

Corporate Head Office

1. Executive Summary

This report provides information to Council with regards to the subject mentioned report that served before Council on 28 May 2015 as Annexure B (original reference).

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)
Local Government: Municipal Systems Act 2000, (Act 32 of 2000)
Overstrand Municipality Supply Chain Management Policy dated 25 May 2008, as amended.

6. Background/Discussion/Evaluation/Conclusion

Background

During a council meeting dated 27 May 2015 a councillor questioned the fact that only one quote has been obtained by officials of the Supply Chain Management Department of the Municipality for the purchase of a pipe clamp 62/70 HD.

The purpose of the monthly report for April 2015 to Council as mentioned, was to ensure that Council maintains oversight over the implementation of the Supply Chain Management Policy. In terms of Paragraph 17(2) of the said

policy, the delegated authority must record and report all approvals made in terms of Paragraph 16(1)(b) and 17(1)(c) each month.

Discussion

The Supply Chain Management office thus provides Council now with the following statistical figures regarding activities undertaken by the Purchasing Section within the Finance Directorate during April 2015:

#	Description	Number of transactions
1.	Requests received	806
2.	Orders Processed	610
3.	Par 16(1)(b) and 17(1)(c) approvals	14

As far as the matter under discussion is concerned, the following needs to be noted:

Annexure B: Schedule of approvals in terms of Paragraph 17(1) of the SCM Policy – Overstrand Municipality – April 2015					
10	Received only one quote by closing time and date of submission of quotation		11	Received only two quotes at closing time and date of submission of quotation	
Note: Please be advised that some of the descriptions below are only of the first line item on the requisitions lodged					
#	Supplier	Date	Amount	Reason Code	Description
8	OVERBERG AGRI BEDRYWE (PTY) LT	20150408	R 3 919.88	10	PYP KLAMP 62/70 HD

On 22 April 2015, the following five (5) suppliers from the supplier database (in compliance with legislation) were requested to quote on the required item:

1. Builder Depo
2. Penny Pinchers
3. Overberg Agri
4. Kaap Agri
5. Built IT Gansbaai

Beforementioned resulted in the following:

- a. Only two (2) responses were received; one from Penny Pinchers and the other from Overberg Agri.
- b. Penny Pinchers did not respond with a quote, but e-mailed the municipality informing us that they do not have the item in stock.
- c. Overberg Agri quoted R 4,473.62 on the 20 plumbing goods required.

- d. As no further quotations were received, this exception (giving effect to Paragraph 17 of the SCM Policy) was approved and the quotation of Overberg Agri was accepted on 29 April 2015.
- e. The information that more than 3 service providers were approached (five in this instance) and only one successful and compliant quote was obtained, was reported to the Chief Financial Officer and Council by the accounting officer, giving effect to Paragraph 17(2) of the SCM Policy.

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A (Annexure B of the previous report):
Schedule of approvals in terms of Paragraph 16(1)(b) and 17(1)(c) for April 2015

RECOMMENDATION TO THE COUNCIL:

that **cognisance be taken** of the explanation regarding the process followed when making an award to "Overberg Agri Bedrywe (Pty) Ltd" for the purchase of pipe clamps 67/70 HD.

RESPONSIBLE OFFICIAL :

R LA COCK

TARGET DATE FOR IMPLEMENTATION :

TO BE NOTED

Annexure B: Schedule of approvals in terms of Paragraph 17(1) of the SCM Policy - Overstrand Municipality - April 2015					
#	Supplier	Date	Amount	Reason Code	Description
10	Received only one quote by closing time and date of submission of quotation	11	Received only two quotes at closing time and date of submission of quotation		
Note: Please be advised that some of the descriptions below are only of the first line item on the requisitions lodged					
1	CAPE OTTO SIGNS CC	20150402	R 2 280.00	10	NO DUMPING/ GEEN STORTING / AKULAHLA APHA, MUNICIPALITY EMBEM
2	OVERBERG SCAFFOLD & MACHINE HI	20150407	R 5 043.86	10	HUUR VAN HOE-DRUK MET OPERATEUR/TOERUSTING/PETROL & VERVOER INGESLUIT
3	MG ELECTRICAL	20150407	R 2 750.00	10	REPAIR CLOSE CHANNEL LIGHT FITTING INCLUDING BULB
4	OVERBERG AGRI BEDRYWE (PTY) LT	20150407	R 6 165.00	11	HEAVY DUTY POP UP SPRINKLERS 7000S
5	TSETHA'S ENTERPRISE	20150407	R 7 204.40	11	THERMAL ROLLS 76/40
6	SANNITREE INTERNATIONAL CC	20150407	R 13 107.00	11	20KG SPECIAL MIX FAT CRACKER
7	BURMAR CIVILS (PTY) LTD	20150408	R 10 500.00	10	SUPPLY AND DELIVER 7 X 210 LITER CATIONIC 65% BITUMEN DRUMS
8	OVERBERG AGRI BEDRYWE (PTY) LT	20150408	R 3 919.88	10	PYP KLAMP 62/70 HD
9	GAFFLEY'S COACH TOURS (PTY) LT	20150408	R 15 460.00	10	28 APRIL 2015: HERMANUS-KLEINMOND - JUNIOR COUNCIL ORIENTATION TOURS
10	BIDVEST WALTONS	20150408	R 4 903.90	11	STATIONERY CUPBOARD 1800HX900WX450D - 4 SHELVES - HAMMER GREY (X2)
11	GILBERTS CATERING (K201112488)	20150409	R 6 560.00	11	REFRESHMENTS FOR WOMENS ENTREPRENEURIAL COCKTAIL EVENT 17 APRIL 2015
12	NEO TECHNOLOGIES (PTY) LTD	20150410	R 19 833.00	11	SUPPLY 660 BATTERY APC - RBD 17
13	STARTUNE (PTY) LTD	20150412	R 25 662.00	11	RAIN SUITS: 2-XL - NAVY WITH REFLECTIVE TAPE
14	COLOURPIX GRAPHIC DESIGNS CC	20150420	R 6 160.00	11	ARTWORK AND DESIGN (2 HOURS) OF WATER AND SEWER NETWORK BROCHURE

Annexure A