

**9. SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT – 2014/2015:  
1<sup>st</sup> QUARTER: 01 JULY TO 30 SEPTEMBER 2014**

**8/2/2**

**CEM La Cock  
08 October 2014**

**(028) 313 8080**

**Corporate Head Office**

---

**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) incidences of irregular expenditure identified to date during the 2014/2015 financial year, and
- d) 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 1<sup>st</sup> Quarter of the 2014/2015 financial year, 01 July to 30 September 2014;
- b) deviations from the Policy in terms of Clause 36 the Policy;
- c) minor breaches;
- d) all incidences of non-compliance with the said policy; and
- e) 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 1 <sup>st</sup> Quarter	2014/2015 to date	2013/2014
Bids Processed	29	29	131
Bids Processed- Average per Quarter	29	29	33
Average days from final evaluation to Bid Adjudication Committee	7	7	8
Average days from initiation to Bid Specification Committee	5	5	7
<b>Estimated Value of Awards (R)</b>	<b>167,776,916.73</b>	<b>167,776,916.73</b>	<b>181,586,965.21</b>

A schedule of these awards for the 1<sup>st</sup> Quarter of 2014/2015 is attached as **Annexure A**.

**Value of all Awards**

The total value of tenders awarded a the Supply Chain Management Unit for the 1<sup>st</sup> Quarter of 2014/2015, is:

	Operational Amount (Excluding VAT, where applicable)	Capital Amount (Excluding VAT, where applicable)	VAT @ 14%	Total Value of Awards (Including VAT, where applicable) for Q1	Total Value of Awards (Including VAT, where applicable) To Date
<b>Bid Awards (29)</b>	85,317,976.23	62,490,337.99	19,968,602.50	167,776,916.73	167,776,916.73

**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 1 <sup>st</sup> Quarter	2014/2015 to date	2013/2014
Clause 36(1)(a)(i)	Emergency	0	0	4
Clause 36(1)(a)(ii)	Sole Supplier	4	4	22
Clause 36(1)(a)(iii)	Special works of Art	2	2	0
Clause 36(1)(a)(v)	Impractical Impossible	18	18	67
		<b>24</b>	<b>24</b>	<b>93</b>

A schedule of all Deviations approved by the Municipal Manager or by the delegated officials for the 1<sup>st</sup> 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 1<sup>st</sup> Quarter of 2014/2015, are as follows:

	Operational Amount (Excluding VAT, where applicable)	Capital Amount (Excluding VAT, where applicable)	VAT @ 14%	Total Value of Awards (Including VAT, where applicable) for Q1	Total Value of Awards (Including VAT, where applicable) To Date
<b>Deviations (24)</b>	1,513,251.32	-	206,817.54	1,720,068.86	1,720,068.86

**c) Minor Breaches**

The Supply Chain Management Policy states in Clause 36(1)(b) that the Accounting Officer may consider ratifying any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

The Accounting Officer approved 1 minor breaches of the Supply Chain Management Policy in the first quarter of the 2014/2015 financial year:

SCMMB #	Date approved	Description
2015/01	2014.07.09	The Approval of the extension of the validity period for tender SC 1459/2014, In terms of Clause 27(5)(c) of the 2013/2014 SCM Policy.

**d) Incidence of Non-compliance and Irregular Expenditure**

**Irregular Expenditure**

In terms of Section 32(4) of the Local Government Municipal Finance Management Act (56 of 2003) the Executive Mayor, inter alia, must be made aware of all possible irregular expenditure incurred by the municipality.

A register of all incidences of irregular expenditure identified and currently undergoing investigation is attached as **Annexure C**.

**e) 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 or complaint 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.

It should hereby be noted that no formal disputes, objections, queries or complaints were received during the 1<sup>st</sup> Quarter of 2014/2015 financial year.

**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 Irregular Expenditure

**RECOMMENDATION TO THE COUNCIL:**

1. that **cognisance be taken** of the awards made through the bid committee system for the 1<sup>st</sup> Quarter of 2014/2015;
2. that **cognisance be taken** of the deviations from the procurement processes for the 1<sup>st</sup> Quarter of 2014/2015; and
3. that **cognisance be taken** of the investigations underway into the cases of Irregular Expenditure to the Supply Chain Management Policy.

**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 - JULY - SEPTEMBER											
#	Tender #	Description	Date Awarded / Cancelled	Awarded to	B-BBEE status Level	Completion Period	Unit Price	Amount Operational	Amount Capital	VAT @ 14%	Total Amount (including VAT)
*1	SC14566/2014	Supply and deliver inventory items Overstrand Municipality for contract period ending 30 June 2015	2014/07/04	Lools Lubricants CC /a Agri Lubes & Fuel Stantune (Pty) Ltd Vinnies Trading CC /a Motown Centre Top Fiks Suppliers CC	Non-compliant Contributor 3 Non-compliant Contributor Non-compliant Contributor	2015/06/30	Various	R 188 652.88 R 17 832.50 R 385 177.95 R 51 286.00	- - - -	R 26 411.38 R 2 496.55 R 53 924.90 R 7 180.04	R 215 064.06 R 20 329.05 R 439 102.75 R 58 466.04
*2	SC1457/2014	Supply and deliver water- and sewerage purification chemicals for period ending 30 June 2017	2014/07/11	Protea Chemicals a Division of Omnia Ltd Tuschemy CC Melsi Chem iKapa (Pty) Ltd Kemanz (Pty) Ltd Ikusasa Chemicals (Pty) Ltd Second Opinion Consulting CC	3 2 2 1 3 4	2017/06/30	Various	R 30 671 604.00	-	R 4 284 024.56	R 34 965 628.56
*3	SC1459/2014	Supply & deliver swimming pool chemicals for Overstrand Municipality for period ending 30 June 2017	2014/07/25	Yellow Mango Trading CC Masanda Trading CC Tuschemy CC	3 1 2	2017/06/30	Various	R 913 500.00	-	R 127 890.00	R 1 041 390.00
4	SC1465/2014	Resurfacing and Rehabilitation of Roads For a contract period ending 31 March 2016	2014/07/25	Amandia GCF Construction CC	3	2016/03/31	Various	R 39 230 110.08	-	R 5 492 215.41	R 44 722 325.49
5	SC1469/2014	Provision of cleaning services in Masakhane, Beverley Hills and Stanford	2014/07/04	Cancelled - Error in specifications	N/A	N/A	-	-	-	-	-
6	SC1470/2014	Supply and Installation of water pump set at Chantecclair, Hermanus	2014/07/09	Hydro-Tech Systems (Pty) Ltd	Non-compliant Contributor	2014/07/31	86 121.20	-	R 86 121.20	R 12 056.97	R 98 178.17
7	SC1480/2014	Supply and Delivery of Diesel fuel for the Onrus Caravan Park, Hermanus, for a contract period ending 30 June 2017	2014/07/25	Montidox CC /a Mandia Petroleum	5	2017/06/30	12.35	R 1 000 000.00	-	-	R 1 000 000.00
*8	SC1482/2014	The Provision of Disconnection and Reconnection of Municipal services, for a contract period ending 30 June 2017	2014/07/31	IPES Utility Management Services (Pty) Ltd	4	2017/06/30	Various	R 2 138 230.00	-	R 289 352.20	R 2 437 582.20
9	SC1483/2014	Online subscription for access to legal information	2014/07/22	Lexis Nexis (Pty) Ltd	Non-compliant Contributor	2015.06.30	Various	R 75 876.20	-	R 10 622.67	R 86 498.87
10	SC1485/2014	Supply, installation and commissioning of an emergency power generator	2014/07/18	Cancelled - All bidders deemed non-responsive	N/A	N/A	-	-	-	-	-
11	SC1490/2014	Service and maintenance of multi-functional office machines in the Overstrand Municipal Area for a period ending 30 June 2016( 2nd Advert)	2014/07/31	Cancelled - Only bidder deemed non-responsive	N/A	N/A	-	-	-	-	-
12	SC1437/2014	Supply and deliver fire rescue equipment	2014/08/07	Cancelled - Validity period expired	N/A	N/A	-	-	-	-	-
13	SC1452/2014	Request for qualification for the lease of the De Mond caravan park and adjacent land to develop a public resort	2014/08/22	Cancelled - No bids received	N/A	N/A	-	-	-	-	-
14	SC1454/2014	Construction of a building for a Fire Station Pringle Bay, Phase 1	2014/08/22	Cancelled - No responsive bids received	N/A	N/A	-	-	-	-	-
*15	SC1467/2014	Labour for MV and LV Electrical Reticulation in Overstrand	2014/08/14	Adenco Construction (Pty) Ltd Prodecem CC	3 3	2017/06/30	Various	R 359 905.00 R 359 905.00	- -	R 50 386.70 R 50 386.70	R 410 291.70 R 410 291.70

A2/2

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 - JULY TO SEPTEMBER												
#	Tender #	Description	Date Awarded / Cancelled	Awarded to	B-BBEE Status Level	Completion Period	Unit Price	Amount Operational	Amount Capital	VAT @ 14%	Total Amount (including VAT)	
				Keritzone (Pty) Ltd	3			R 1 072 449.94			R 1 072 449.94	
				ABC 3 Stationers and Office Supplies (Pty) Ltd	1			R 195 122.84			R 195 122.84	
	*16	Supply and delivery of printing paper, ink toners, catridges and ribbons to Overstrand Municipality for a contract perios ending 30 June 2016	2014/08/22	Alvarita CC	4	2017/06/30	Various	R 31 917.50		R 4 468.45	R 36 385.95	
				Khuseka Solutions (Pty) Ltd	2			R 2 239 866.35		R 313 581.29	R 2 553 447.64	
				Moagi Technologies CC	1			R 381 840.35		R 53 457.65	R 435 298.00	
	17	Sale of Erf 2834 Sandbaai for mixed residential development and erf 2837 Sandbaai for a retirement village.	2014/08/22	Edevco International (Pty) Ltd	N/A	Once-off			R 42 500 000.00	R 5 950 000.00	R 48 450 000.00	
	18	Supply of Exhibition Stand for Whale Coast Tourism.	2014/08/14	Cancelled - No responsive bids received	N/A	N/A						
	19	Renovation of storeroom at Fernkloof Nature Reserve Hermanus	2014/09/02	Cancelled - Validity period expired	N/A	N/A						
				Afriserv (Pty) Ltd	1		Various	R 455 592.11		R 63 782.89	R 519 375.00	
	*20	Cleaning of Municipal and Private erven in the Overstrand Municipal Area for a contract period ending 30 June 2017: Hermanus	2014/09/08	Afriserv (Pty) Ltd	1	2017.06.30	Various	R 455 592.11		R 63 782.89	R 519 375.00	
				LP Fourie	Non-compliant Contributor		Various	R 519 375.00			R 519 375.00	
				Afriserv (Pty) Ltd	1		Various	R 455 592.11		R 63 782.89	R 519 375.00	
	21	Construction of Cell3 at Kanydeskraal Landfill	2014/09/12	Burger and Wallace Construction gPty) Ltd	Non-compliant Contributor	2015.05.31	R 9 395 292.00		R 9 395 292.00	R 1 315 940.88	R 10 710 632.88	
	22	Medium and low voltage upgrading in Gansbaai, Franskraal & Stanford	2014/09/22	Adenco Construction (Pty) Ltd	2	2015.07.31	R 8 223 503.01		R 8 223 503.01	R 1 151 290.42	R 9 374 793.43	
	23	Electrification of Overhills informal settlement in Kleinmond.	2014/09/12	Adenco Construction (Pty) Ltd	2	2015.06.30	R 2 285 421.78		R 2 285 421.78	R 319 959.05	R 2 605 380.83	
	*24	Supply and installation: webbased/online bulk sms sending system/services	2014/09/29	Mukoni Software CC	3	2017.06.30	Various	R 575 861.00		R 80 620.54	R 656 481.54	
	25	Supply and application of fertilizer on sports fields Overstrand	2014/09/05	Afriserv (Pty) Ltd	1	2015/06/30	Various	R 150 000.00		R 21 000.00	R 171 000.00	
	26	Supply and Delivery of Spares for Nash Pumps	2014/09/30	Chanimerc Investments CC	3	2014.11.30	Various	R 6 750.00		R 945.00	R 7 695.00	
				Masanda Trading CC	1		Various	R 58 446.20		R 8 182.47	R 66 628.67	
				TM Siswana	4		R 7 700.00	R 1 159 213.44			R 1 159 213.44	
	*27	Cleaning projects for the Gansbaai informal areas: Masakhane	2014/09/29	H Moses Spandiel	3	2017.06.30	R 4 160.00	R 622 116.35			R 622 116.35	
				H Moses Spandiel	3		R 4 060.00	R 607 161.63			R 607 161.63	
	*28	Hiring of sewerage vacuum tankers	2014/09/29	Jetvac SA (Pty) Ltd	4	2015.09.30	Various	R 939 000.00		R 131 460.00	R 1 070 460.00	
	29	Construction of additional office accommodation - Franskraal Water Treatment Works, Gansbaai	2014/09/30	Cancelled - Prices received not considered market related	N/A	N/A						

Note: R 85 317 976.23 R 62 490 337.99 R 19 968 602.50 R 167 776 916.73

\* The total reflected is an estimate of the expenditure to be incurred over the contract period.



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 FIRST QUARTER- JULY - SEPTEMBER 2014

#	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	SCD2736	2013/07/11	Clause 36(1)(a)(v)	The urgent procurement of 60 000 kg of aluminium sulphate used in the water purification process to provide drinking water for the Franskraal community during the evaluation and award process of tender SC1457/2014. The tender will only be awarded during the next three weeks.	Deputy Director: Community Services - Barmann M	Itusasa chemicals (PTY) LTD	R 137 069.00		R 19 231.58	R 156 299.58
2	SCD2737	2013/07/11	Clause 36(1)(a)(i)	The repair of sewerage vacuum pumps for CEM6365, CEM4439, CAM20030 and CAM25655. Broom Engineering CC is the sole supplier of these vacuum pumps.	Superintendent: Mechanical Workshop, Hanekom J	Broom Engineering CC	R 12 562.90		R 1 761.61	R 14 344.51
3	SCD2738	2013/07/17	Clause 36(1)(a)(i)	Recalibration of speed measuring equipment. Truvelo Manufactures (PTY) LTD is the sole supplier of the equipment that includes service, repair, maintenance and installation.	Chief: Traffic Services, Fraser R	Truvelo Manufactures (PTY) LTD	R 10 789.95		R 1 510.59	R 12 300.54
4	SCD2739	2013/07/21	Clause 36(1)(a)(v)	Procurement of credits for a postage franking machine for Gansbaai Administration from the sole service provider for this specific equipment, for the period ending 30 June 2015 and not exceeding a total cost of R 39 000.00, inclusive of VAT.	Senior Manager: Gansbaai and Standford, Myburgh F	Earlyworx 282 (PTY) LTD	R 34 210.53		R 4 789.47	R 39 000.00
5	SCD2740	2013/07/24	Clause 36(1)(a)(v)	The urgent procurement of 10 000 kg of soda ash light used in the water purification process to provide drinking water for the Franskraal community during the evaluation and award process of tender SC1457/2014. The tender will only be awarded during the next three weeks.	Deputy Director: Community Services - Barmann M	Protos Chemicals	R 59 500.00		R 8 330.00	R 67 830.00
6	SCD2741	2013/07/21	Clause 36(1)(a)(v)	Service and/or repair of the Fire Services breathing apparatus, to ensure compliance with the OHSAA Act of 1993, via a strip and quote process.	Chief: Fire Officer, Smith L	Dräger South Africa (PTY) LTD	R 3 685.00		R 515.90	R 4 200.90
7	SCD2742	2013/07/24	Clause 36(1)(a)(ii)	The manufacturing and erection of two specially designed sundials to be used as an attraction at Gearings Point.	Senior Manager: Hermannus Admin, Kearny D	Hermannus Astronomy Centre	R 20 000.00		-	R 20 000.00
8	SCD2743	2013/07/29	Clause 36(1)(a)(i)	Repair of the boiler at the material recovery facility at Gansbaai landfill site. Akura Manufacturing Engineering Company (PTY) LTD is the sole distributor of Bramindan equipment in South Africa.	Solid Waste Manager: Planning, Van Tack J	Akura Manufacturing Engineering Company (PTY) LTD	R 11 005.00		R 1 541.00	R 12 546.00
9	SCD2744	2013/07/25	Clause 36(1)(a)(v)	The three hydraulic pipes of CEM 7408 were damaged. The hydraulic pipes were sent to Hyco Hydraulics for inspection. Hyco Hydraulics found that all three hydraulic pipes was damaged beyond repaired and needed to be replaced.	Superintendent: Mechanical Workshop, Hanekom J	Hyco Hydraulics & Pneumatics CC	R 3 520.79		R 492.91	R 4 013.70
10	SCD2745	2013/07/31	Clause 36(1)(a)(v)	Procurement of credits for a postage franking machine for Hermannus Administration from the sole service provider for this specific equipment, for the period ending 30 June 2015 and not exceeding a total cost of R170,000.00, inclusive of VAT.	Manager: Council Support Services, Van Tonder H	Earlyworx 282 (Pty) Ltd	R 149 122.81		R 20 877.19	R 170 000.00

DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE FIRST QUARTER- JULY - SEPTEMBER 2014

#	Deviation #	Date approved	Deviation in terms of Clause 36(1)(a)	Description	Responsible Official	Awarded to	Amount Operational	Amount Capital	VAT @ 14%	Annexure B Value of the Deviation
11	SCD2746	2013/07/30	Clause 36(1)(c)(ii)	Attending of a fire investigation techniques workshop on the 25-28 August 2014. Workshop will be hosted by USA experts in all aspects of fire investigation. After completion of the workshop attendees will be certified investigators with the IAAI. This will allow the attendees to conduct the cause of a fire and provide evidence in court cases.	Director Protection Services: Michaels N	Fire Protection Association of South Africa (FPASA)	R 16 157.99	-	R 2 082.11	R 18 240.00
12	SCD2747	2013/07/31	Clause 36(1)(c)(v)	Procurement of services and maintenance of three multifunction office machines in the Overstrand area after the municipality have exhausted the prescribe process, to no avail.	Senior Business Analyst: Van Asperen J	Hybridco PTY (LTD) Via Nashua Broeds Valley	R 137 006.95	-	R 19 180.97	R 156 187.92
13	SCD2748	2014/08/01	Clause 36(1)(c)(v)	Renewal of Novell licenses from an authorized Novell reseller, who is also the current service provider for the Provision of Data Support and ICT Advisory Services, in order to mitigate potential security risks and unforeseen disruptions in service delivery of the Data Centre	Senior Manager: Systems Development, Johnson C	Lateral Dynamics (PTY) LTD	R 452 842.00	-	R 63 397.88	R 516 239.88
14	SCD2749	2014/08/01	Clause 36(1)(c)(v)	Due to the high oil usage of vehicle CEM 12509. The vehicle was sent to Automotive Dynamics to be inspected. The supplier found that the pistons and piston sleeves were damaged due to wear and tear. It is recommended that the engine be overhauled.	Acting Fleet Manager: Frans F	Automotive Dynamics	R 57 004.64	-	R 7 980.65	R 64 985.29
15	SCD2750	2014/08/08	Clause 36(1)(c)(v)	Workshop from the 11-14 August 2014. The course focuses on the land and housing development, in particular the development of virgin land and the methods of its continuous upgrading, including the latest designs in green urban layout and mixed land use.	Senior Manager: Human resources, Buchtemer L	SAHF Education and Training	R 31 578.95	-	R 4 421.05	R 36 000.00
16	SCD2751	2014/08/07	Clause 36(1)(c)(v)	Procurement of credits for a postage franking machine for Hangklip-Kleinmond Administration from the sole service provider for this specific equipment, for the period ending 30 June 2015 and not exceeding a total cost of R 41 000.00, inclusive of VAT	Senior Manager: Hangklip-Kleinmond	Earlywork 282 (Pty) Ltd	R 35 964.91	-	R 5 035.09	R 41 000.00
17	SCD2752	2014/08/19	Clause 36(1)(c)(v)	Due to the high oil usage of the engine of vehicle CEM 25438. The vehicle was sent to SPME Industries to be inspected. The supplier found that the pistons and piston sleeves were damaged due to wear and tear. It is recommended that the engine be overhauled.	Acting Fleet Manager: Frans F	SPME Industries	R 49 554.36	-	R 6 937.61	R 56 491.97
18	SCD2753	2014/08/12	Clause 36(1)(c)(v)	Supply Chain Management Policy Deviation: The booking of a space at the Gauteng Gateway Show, 29 - 31 August 2014, without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Local Economic Development, Kosi X	RAMSAY MEDIA (PTY) LTD	R 18 013.50	-	R 2 521.89	R 20 535.39
19	SCD2755	2014/08/20	Clause 36(1)(c)(v)	The urgent procurement of electrical inventory items. These items are essential for the municipality to deliver essential services to the community as the stock has been depleted. It will have dire effects on the municipality's ability to render the required services to the community. Tender SC 1478/2014 will only be awarded during the next three weeks.	Acting Stores Coordinator: Van Der Merwe, J	Siyphambiti Electrical & Industrial Suppliers CC	R 58 328.89	-	R 8 166.04	R 66 494.93
20	SCD2756	2014/09/02	Clause 36(1)(c)(v)	Restoration of two Second World War gunship canons situated at the cenotaph, Old Harbour, which has been damaged due to years of weathering	Senior Manager: Hermanus Administration, Kourmey D	Venter MCB	R 94 000.00	-	R 13 160.00	R 107 160.00
21	SCD2758	2014/09/03	Clause 36(1)(c)(v)	CEM 26226 was sent to Worcester Gearbox Centre for inspection and it was found that the crown and pinion gears were damaged due to wear and tear and need to be replaced	Acting Fleet Manager: Frans F	Worcester Gearbox Centre	R 8 755.00	-	R 1 225.70	R 9 980.70
22	SCD2759	2014/09/08	Clause 36(1)(c)(ii)	The construction and supply of uniquely designed concrete plinths for the mounting of the sculptures in the Hermanus area. The Tourism Bureau would be working in collaboration with the sculptors to design and ensure the plinths are made to the right specifications as the plinths needs to be aesthetically and artistically acceptable	Senior Manager: Hermanus Administration, Kearney D	Hermanus Tourism Bureau	R 15 000.00	-	R -	R 15 000.00
23	SCD2760	2014/09/04	Clause 36(1)(c)(v)	The booking of a space at the Travel People workshop on the 11 September 2014 without requesting quotations from other show organizers due to the uniqueness of the show and the Municipality's intended target market	Manager: Local Economic Development, Kosi X	Travel People CC	R 8 690.00	-	R 1 216.60	R 9 906.60
24	SCD2762	2014/09/30	Clause 36(1)(c)(v)	The urgent procurement of A3 and A4 copy paper. These items are essential for the municipality's daily administrative function. Tender SC1474/2014 was advertised but none of the tenders met the specifications. A new tender is in the process to be advertised for the paper	Acting Stores Coordinator: Van Der Merwe, J	Bytes Document Solutions	R 88 869.25	-	R 12 441.70	R 101 310.95
							R 1 513 251.32	R -	R 205 817.54	R 1 720 068.86

12

Supply Chain Management Policy

Irregular Expenditure Incurred in terms of Paragraph 36(2)

Register

SCMIE #	Date of Discovery	Date Reported to the Accounting Officer	Date of Memo	Received	Date approved for payment	*Report to Council	Nat Treas	Description	Type of Prohibited Expenditure	Awarded to	Responsible Official	Amount Capital	Amount Operational	VAT @ 14%	Total
<b>Incidents reported and currently under investigation</b>															
2014/002	2013/10/14	2014/03/10	2013/10/14	2013/10/14	2014/03/10	2014/04/10	2014/06/30	The continued provision of services by contractors, appointed in terms of Tenders SC 1101/2011 & SC 1140/2011, without following the Official Procurement Process.	SCM Clause 18	Various Contractors	T. Olivier	R -	R 72 587.81	R -	R 72 587.81
2014/003	2013/12/06	2014/07/10	2014/06/03 (Update: 2014/06/30)	2014/06/03	2014/07/10	2014/07/23	2014/06/30	Non-compliance with Clause 15 of the Overstrand Municipality Supply Chain Management Policy: The provision of mobile telecommunication services, by Spectrum Communications, for use in the operation of Overstrand Municipality's telemetry systems via the developer and implementer of the said system, for a period ending 30 June 2013, without following the official procurement process.	SCM Clause 16	Spectrum Communications, a division of Connoisseur Electronics (Pty) Ltd	C. le Roux	R -	R 4 541.00	R 635.74	R 5 176.74
2014/005	2014/05/23	Awaiting Department Report	Awaiting Department Report	Awaiting Department Report	N/A	2014/07/23	2014/06/30	Non-compliance with the Overstrand Municipality Supply Chain Management Policy: The provision and licensing of a GIS software solution from Environmental Systems Research Institute South Africa (Pty) Ltd, without following the official procurement process.	SCM Clause 19	Environmental Systems Research Institute South Africa (Pty) Ltd	L. Rauch	R -	R 296 012.82	R -41 441.80	R 337 454.62
<b>Incidents reported and subsequently written-off</b>															
2014/004	2013/10/29	2013/11/08	2013/10/29	2013/10/29	2013/11/08	2014/04/10	2014/06/30	The provision of services for the hosting and maintenance of Overstrand Municipality's external website by the existing services provider appointed in terms of SC 992/2010 after the expiry of the contract for a period ending 30 September 2013, without following the formal written quotation process or obtaining prior approval of a division or variation/extension of the existing contract.	SCM Clause 17	Max Internet Technologies CC	D. Arrison	R -	R 29 858.77	R 4 180.23	R 34 039.00
2014/006	2014/05/09	2014/06/18	2014/06/18	2014/06/18	N/A	2014/07/23	2014/06/30	Non-compliance with the MFMA (Act 56 of 2003) section 33: Entering into a contract with Boland Valuers CC, resulting from tender SC 005/2010 for the Execution of a General and Supplementary Valuation of all properties in the area of Jurisdiction of the Overstrand Municipality, without adhering to the provision of section 33 for a contract imposing financial obligations beyond 3 financial years.	MFMA Section 33	Boland Valuers CC	E. Hoeneberg	R -	R 848 926.89	R 118 589.76	R 965 496.65
												R -	R 3 135 662.28	R 438 992.72	R 3 574 654.99