

**4.  
SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT – 2013/2014: 2<sup>nd</sup>  
QUARTER: 01 OCTOBER TO 31 DECEMBER 2013**

**8/2/2**

**CEM La Cock  
10 January 2014**

**(028) 313 8080**

**Corporate Head Office**

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**1. Executive Summary**

In terms of Clause 6(4) 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, and
- c) the progress made with regards to internal investigations into the incidences of irregular expenditure identified in the 2012/2013 financial year.

**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

### 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 awards made through the bid committee system for the 2<sup>nd</sup> Quarter of the 2013/2014 financial year, 01 October to 31 December 2013, in order to comply with the requirements of Clause 6(4) of the Policy as well as deviations from the Policy in terms of Clause 36 the Policy

### Discussion

#### A Bid Awards

Bids are awarded to the bidder scoring the highest points in terms of Council's Preferential Procurement Policy.

All awards between R200, 000 up to R10 million were approved through the bid committee system. The Accounting Officer has duly delegated the power to award bids below R200, 000 to the respective Directors, after considering the recommendation by the Bid Evaluation Committee.

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

Procurement Function	2013/2014 2 <sup>nd</sup> Quarter	2013/2014 to date	2012/2013
Bids Processed	52	80	143
Bids Processed- Average per Quarter	40	40	36
Average days from final evaluation to Bid Adjudication Committee	8	8	7
Average days from initiation to Bid Specification Committee	7	7	7
<b>Estimated Value of Awards (R)</b>	<b>81,362,221.00</b>	<b>115,641,671.30</b>	<b>244,407,031.92</b>

A schedule of these awards for the 2<sup>nd</sup> Quarter of 2013/2014 is attached as **Annexure B**.

#### B. Deviations- Clause 36(1)(a)

Clause 36(1)(a) of the Policy (**Annexure A**) 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 and compares to applications approved for the 2013/2014 year to date and the 2012/2013 financial year as per the following schedule:

SCM Policy	Description	2013/2014 2 <sup>nd</sup> Quarter	2013/2014 to date	2012/2013
Clause 36(1)(a)(i)	Emergency	2	2	8
Clause 36(1)(a)(ii)	Sole Supplier	8	9	32
Clause 36(1)(a)(iii)	Special works of Art	0	0	4
Clause 36(1)(a)(v)	Impractical Impossible	20	41	105
		<b>30</b>	<b>52</b>	<b>149</b>

A schedule of all Deviations approved by the Municipal Manager for the 2<sup>nd</sup> Quarter of 2013/2014 is attached as **Annexure C**.

**C. Irregular Expenditure**

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

All instances of irregular expenditure identified in the 2012/2013 financial year was tabled before the Council on 25 September 2013.

In terms of section 32 of the MFMA (Act 56 of 2003) the Auditor General and Minister for Local Government in the province have also been duly informed (Annexure D).

The outcome of the investigations into these instances of Irregular Expenditure will be reported to the Council in the 3<sup>rd</sup> quarter of 2013/2014.

**7. Financial Implications**

Bids are only awarded on condition that the required funds have been secured prior to the meeting of the Bid Adjudication Committee and prior to approval of deviations.

The total value of tenders awarded and deviations processed via the Supply Chain Management Unit for the 2<sup>nd</sup> Quarter of 2013/2014, 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)
Bid Awards (52)	49,485,677.26	23,834,891.68	8,041,652.06	81,362,221.00
Deviations (30)	1,857,330.68	0.00	241,883.36	2,099,214.04
<b>TOTAL</b>	<b>R 51,343,007.94</b>	<b>R 23,834,891.68</b>	<b>R 8,283,535.42</b>	<b>R 83,461,435.04</b>

**8. Staff Implications**

None

**9. Comments from other Departments, Divisions and Administrations**

None

**10. Annexures**

- Annexure A: Clause 6 & 36 of the Supply Chain Management Policy
- Annexure B: Schedule of Awards made through the Bid Committee system
- Annexure C: Schedule of Deviations from the procurement processes
- Annexure D: Reporting of Irregular Expenditure by the Overstrand Municipality: 2012/2013 Financial Year.

**RECOMMENDATION TO THE COUNCIL:**

1. that **cognisance be taken** of the awards made through the bid committee system for the 2<sup>nd</sup> Quarter of 2013/2014;
2. that **cognisance be taken** of the deviations from the procurement processes for the 2<sup>nd</sup> Quarter of 2013/2014; and
3. that **cognisance be taken** of the investigations underway into the cases of Irregular Expenditure to the Supply Chain Management Policy for the 2012/2013 financial year.

**RESPONSIBLE OFFICIAL :**

**R LA COCK**

**TARGET DATE FOR IMPLEMENTATION :**

**TO BE NOTED**

**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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**6 Oversight role of council**

- 1) No councillor may be a member of the municipal bid specification, evaluation or adjudication committees or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.
- 2) Council must maintain oversight over the implementation of this Policy.
- 3) For the purposes of such oversight the Accounting Officer must –
  - a) within 22 business days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
  - b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
- 4) The Accounting Officer must, within ten (10) business days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.
- 5) The availability of these reports must be made public in accordance with section 21A of the Local Government Municipal Systems Act 32, 2002

**7 Supply Chain Management Unit**

- 1) A supply chain management unit is hereby established to implement this Policy.
- 2) The Chief Financial Officer is administratively in charge of the supply chain management unit which operates under the direct supervision of the Senior Manager: Supply Chain Management, to whom this duty has been sub-delegated in terms of Section 82 of the Act.

**8 Training of Supply Chain Management officials**

The training of officials involved in implementing this Policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management.

**OVERSTRAND MUNICIPALITY  
SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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- b) any similar consultancy services provided to an organ of state in the last five years.
- 4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.

**36 Deviation from, and ratification of minor breaches of procurement processes**

- 1) The Accounting Officer may –
  - a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
    - (i) in an emergency;
      - (a) Circumstances that warrant emergency dispensation, includes but are not limited to -
        - (i) the possibility of human injury or death;
        - (ii) the prevalence of human suffering or deprivation of rights;
        - (iii) the possibility of damage to property, or suffering and death of livestock and animals;
        - (iv) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;
        - (v) the possibility of serious damage occurring to the natural environment;
        - (vi) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;
        - (vii) the possibility that the security of the state could be compromised.
      - (b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.
      - (c) Procurement in the case of emergencies must be tacitly approved by the relevant director or his delegate prior to incurring the expenditure and must be reported to the Municipal Manager or delegated official on the ensuing business day.
    - (ii) if such goods or services are produced or available from a single provider only;
    - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
    - (iv) acquisition of animals for zoos and/or nature and game reserves; or
    - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes,
  - b) ratify 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; and
  - c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy, provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting. **S 4 / 028**
- 2) The Accounting Officer must record the reasons for any deviations in terms of sub-clauses (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements.
- 3) Sub-clause (2) does not apply to the procurement of goods and services contemplated in clause 11(2) of this policy.



**SUPPLY CHAIN MANAGEMENT REPORT IN TERMS OF CLAUSE 5(4) 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: 2nd QUARTER 2013/2014: OCTOBER TO DECEMBER 2013**

#	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	SC13609/2013	Amendment of the lease agreement for the Omnis/Hawston radio mast site	25-10-13	RFG Electronics CC	N/A	30-06-16	896.19 per month	213,161.43	-	29,842.60	243,004.03
2	SC1385/2013	Maintenance Services for elevator at Municipal Head Office, Hermanus	07-10-13	Nu-Line Elevator Products CC	6	30-06-16	R 1,460.00 per month	50,856.00	-	7,119.84	57,975.84
3	SC1375/2013	Cleaning Project Hermanus	04-10-13	Autumn Skies Trading 491 CC	3	30-06-16	8,559.45	1,297,009.10	-	-	1,297,009.10
3	SC1375/2013	Cleaning Project Hermanus	04-10-13	van Rooyen Tuindienste	None	30-06-16	7,643.08	1,159,822.40	-	-	1,159,822.40
3	SC1375/2013	Cleaning Project Hermanus	04-10-13	Zuki Garden and Forestry	3	30-06-16	9,691.05	1,382,988.50	-	-	1,382,988.50
3	SC1375/2013	Cleaning Project Hermanus	04-10-13	Lobi Development and Design CC	3	30-06-16	10,250.25	1,471,187.00	-	-	1,471,187.00
3	SC1375/2013	Cleaning Project Hermanus	04-10-13	Rhangana Civil and Construction	3	30-06-16	9,532.96	1,392,911.80	-	-	1,392,911.80
3	SC1375/2013	Cleaning Project Hermanus	04-10-13	Rhangana Civil and Construction	3	30-06-16	16,812.96	2,547,957.00	-	-	2,547,957.00
4	SC1379/2013	Provision of Parking Management System for the Hermanus Central Business District	25-10-13	Nunque 20 CC	2	30-06-16	14% of total revenue	1,033,449.90	-	144,682.99	1,178,132.89
5	SC1381/2013	Supply and deliver soft body armour vests	18-10-13	Cancelled - Pricing of the sole responsive bidder is considered not to be market related	N/A	-	-	-	-	-	-
6	SC1382/2013	Medium and low voltage upgrading in Gansbaai & Prinsdal	04-10-13	Adenco Construction (Pty) Ltd	3	31-01-14	-	-	5,111,835.95	715,629.03	5,827,464.98
7	SC1384/2013	The supply and delivery of a plecter for the GIS department of Overstrand Municipality	22-10-13	Chantmerc Investments CC	3	23-12-13	-	-	75,000.00	10,500.00	85,500.00
8	SC1385/2013	The maintenance and upgrading of footpaths in the Hermanus CBD	07-10-13	RPJ's Garden and Home CC	None	30-11-13	Various unit prices	70,000.00	-	9,800.00	79,800.00
9	SC1394/2013	Remove existing & install 3 new 48000 BTU Airconditioning units at Hawston Library	31-10-13	Gansbaai Aircon and Refrigeration CC	4	15-11-13	-	72,579.18	-	10,191.09	82,740.27
10	SC1397/2013	Supply and delivery of raw sewage pump	11-10-13	HSM Annazi Pump and Sewerage Engineers CC	3	30-11-13	-	-	59,730.00	8,362.20	68,092.20

**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- 2nd QUARTER 2013/2014: OCTOBER TO DECEMBER 2013**

#	Tender #	Description	Date Awarded / Cancelled	Awarded to	BEBEE Status (Level)	Completion Period	Unit Price	Amount Operational	Amount Capital	VAT @ 14%	Total Amount (including VAT)
11	SC1399/2013	Request for proposal for the effecting of energy efficient projects	01-11-13	Cancelled - No tenders received adhere to the technical requirements	N/A	N/A	-	-	-	-	-
12	SC1387/2013	Provision of training: Peace Officers SAQA ID: 377224	06-11-13	Nicola Academy CC	4	30-06-14	3,777.00	66,263.16	-	9,276.84	75,540.00
13	SC1392/2013	Hiring of sewerage vacuum tankers	06-11-13	Cancelled - PPFPA Regulations: All bids received exceed a total cost of R 1,000,000.00	N/A	N/A	-	-	-	-	-
14	SC1393/2013	Lifesaving services Overstrand	04-11-13	SA Pro Lifeguards	Non-compliant Contributor	30-06-15	Withdrawn	Withdrawn	-	-	-
14	SC1393/2013	Lifesaving services Overstrand	04-11-13	R.O. Natus via Overstrand Lifeguards	3	30-06-15	Various	928,625.00	-	-	928,625.00
14	SC1393/2013	Lifesaving services Overstrand	16-11-13	National Sea-and-Sand Institute	5	30-06-15	Various	1,389,238.59	-	194,493.40	1,583,731.98
15	SC1399/2013	Cleaning of alien vegetation on treatment areas: Klein River and Hermanus	15-11-13	Teslaarsdal Landcare	3	20-02-14	70,000.00	70,000.00	-	-	70,000.00
15	SC1399/2013	Cleaning of alien vegetation on treatment areas: Klein River and Hermanus	15-11-13	The Gaia Project	3	20-02-14	98,000.00	98,000.00	-	-	98,000.00
15	SC1399/2013	Cleaning of alien vegetation on treatment areas: Klein River and Hermanus	15-11-13	Early Bird Alien Clearing	3	20-02-14	165,000.00	165,000.00	-	-	165,000.00
15	SC1399/2013	Cleaning of alien vegetation on treatment areas: Klein River and Hermanus	15-11-13	The Gaia Project	3	20-02-14	120,000.00	120,000.00	-	-	120,000.00
15	SC1399/2013	Cleaning of alien vegetation on treatment areas: Klein River and Hermanus	15-11-13	The Gaia Project	3	20-02-14	85,000.00	85,000.00	-	-	85,000.00
16	SC0967B/2010	Amendment of the contract agreement for the management and operation of the Hermanus Material Recovery Facility at the Hermanus Solid Waste Transfer Station	16-11-13	Hermanus Recycling CC /via Walker Bay Recycling	N/A	31-10-23	Various	13,309,029.15	-	1,963,264.08	15,172,293.23
17	SC1213B/2012	Amendment of contract: Hermanus Parallel Road Project Phase 1 - Construction of Mbeke Street and associated roads	16-11-13	Peter Starke & Anney Construction JV		10 Weeks	Various	-	909,259.00	127,296.26	1,036,555.26
18	G40L400101475	Klein River Working for Water Contract: G40L400101475	12-11-13	Early Bird Alien Clearing	3	18 calendar days	33,844.10	33,844.10	-	-	33,844.10
19	G40L400101473	Klein River Working for Water Contract: G40L400101473	12-11-13	Early Bird Alien Clearing	3	16 calendar days	32,723.65	32,723.65	-	-	32,723.65
20	G40L400101463	Klein River Working for Water Contract: G40L400101463	12-11-13	Joyce Mtsha	Non-compliant Contributor	18 calendar days	43,351.39	43,351.39	-	-	43,351.39
21	G40L400101466	Klein River Working for Water Contract: G40L400101466	12-11-13	Siyanda Alien Clearing	Non-compliant Contributor	18 calendar days	36,919.23	36,919.23	-	-	36,919.23
22	SC1357/2013	Supply and install stage curtains Moffat Hill Mt Pleasant and Community Hall Zwelithle	27-12-13	Cancelled - No responsive bids received	N/A	-	-	-	-	-	-

**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- 2nd QUARTER 2013/2014: OCTOBER to DECEMBER 2013**

#	Tender #	Description	Date Awarded / Cancelled	Awarded to	BBBEE Status Level	Completion Period	Unit Price	Amount Operational	Amount Capital	VAT @ 14%	Total Amount (including VAT)
23	SC1382/2013	Moffat Hill Mount Pleasant Supply and install A. Acoustic wall panels B. Acoustic ceiling tiles	27-12-13	Cancelled - No responsive bids received	N/A	-	-	-	-	-	-
24	SC1377/2013	Supply and erecting of fences in the Overstrand area	02-12-13	Gateway Metal Works CC	1	30-06-16	Various	200,000.00	-	28,000.00	228,000.00
24	SC1377/2013	Supply and erecting of fences in the Overstrand area	02-12-13	Mr Spike Overberg CC	4	30-06-16	Various	200,000.00	-	28,000.00	228,000.00
24	SC1377/2013	Supply and erecting of fences in the Overstrand area	02-12-13	Tea Gee Building Supplies CC	Non-compliant Contributor	30-06-16	Various	200,000.00	-	28,000.00	228,000.00
25	SC1386/2013	The supply and delivery of protective clothing for Protection Services	20-12-13	F G Uniforms CC	1	2015.06.30	Various	20,655.50	-	2,891.77	23,547.27
25	SC1386/2013	The supply and delivery of protective clothing for Protection Services	20-12-13	T R Supply CC /a TRF Sport	1	2015.06.31	Various	20,646.35	-	2,890.49	23,536.84
25	SC1386/2013	The supply and delivery of protective clothing for Protection Services	20-12-13	Steven Ridge CC	2	2015.06.32	Various	24,000.00	-	3,360.00	27,360.00
25	SC1386/2013	The supply and delivery of protective clothing for Protection Services	20-12-13	Invuyani Safety CC	2	2015.06.33	Various	133,440.00	-	18,681.60	152,121.60
26	SC1388/2013	Provision of Training: Brush Cutter and Weed eater operating	10-12-13	Pro Skills Development (Pty) Ltd	4	30-06-14	1,040.35	32,250.85	-	4,515.12	36,765.97
27	SC1389/2013	Provision of Training: Leadership concepts in a work context SAQA ID: 242824	10-12-13	BDCE (Pty) Ltd	4	30-06-14	1,300.00	174,200.00	-	24,388.00	198,588.00
28	SC1390/2013	Provision of training: Health and Safety Representatives SAQA ID: 259022	02-12-13	Training Force (Pty) Ltd	3	30-06-14	495.00	30,690.00	-	4,266.60	34,956.60
29	SC1391/2013	Provision of Training: Basic Life Support and First Aid SAQA ID: 119597	18-12-13	Imperial Crown Trading 485 (Pty) Ltd	4	30-06-14	410.69	59,560.05	-	-	59,560.05
30	SC1396/2013	Provision of Training: Telephone Etiquette	02-12-13	RPA Consultants CC /a Skills Factory	4	30-06-14	1,100.00	55,000.00	-	7,700.00	62,700.00
31	SC1398/2013	Upgrading of Klermond Soccer Field	02-12-13	Manna Landscaping Management (Pty) Ltd	2	31-07-14	-	5,933,621.81	-	830,707.05	6,764,328.86
32	SC1400/2013	Upgrading of Peary Beach, Garabai and De Kelders Water Perculation Networks	02-12-13	Burmar Civils (Pty) Ltd	Non-compliant Contributor	30-06-14	-	-	3,965,000.00	555,240.00	4,520,240.00
33	SC1401/2013	Supply and delivery of vehicles	02-12-13	Seventh Avenue Trading 812 CC	1	60 Days	Various	-	788,727.00	110,421.79	899,148.79
34	SC1402/2013	Disconnection and reconnection of electrical supply	20-12-13	Bungane Facilities and Services CC	Non-compliant Contributor	30-06-16	Various	610,000.00	-	85,400.00	695,400.00
35	SC1404/2013	Compilation of Cape Whale Coast Photo Library	30-12-13	CJC Computers and Design (Pty) Ltd /a D.R.O.I.D. Projects	Non-compliant Contributor	12 Months	278.50	55,700.00	-	7,798.00	63,498.00

**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- 2nd QUARTER 2013/2014: OCTOBER to DECEMBER 2013**

#	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)
36	SC14092013	Stanford Sewer Retreatment Upgrade - Phase 6	02-12-13	Burnar Civils (Pty) Ltd	2	30-06-14	-	-	2,307,317.10	323,024.39	2,630,341.49
37	SC14062013	Computer literacy training	18-12-13	Bravopix 307 CC	3	30-06-14	1,783.33	105,969.80	-	14,979.97	121,979.77
38	SC14072013	Training: Business Writing skills SAQA ID:12153	18-12-13	Imperial Crown Trading 485 (Pty) Ltd	4	30-06-14	420.00	8,400.00	-	-	8,400.00
39	SC14082013	Electrification Tsepe Extension	02-12-13	Adenoo Construction (Pty) Ltd	2	30-03-14	-	-	910,562.59	127,478.76	1,038,041.35
40	SC14092013	Upgrade of Kwabwater and Hawston Sub stations and 11KV network	20-12-13	Adenoo Construction 9Pty) Ltd	2	28 Weeks	-	-	6,135,521.96	898,973.07	6,994,495.03
41	SC14102013	Supply and deliver protective clothing and safetywear	20-12-13	Startune (Pty) Ltd	4	2015.06.30	Various	1,538,309.50	-	-	1,538,309.50
41	SC14102013	Supply and deliver protective clothing and safetywear	20-12-13	Amaphafinzi CC	2	2015.06.30	Various	32,640.00	-	4,569.60	37,209.60
41	SC14102013	Supply and deliver protective clothing and safetywear	20-12-13	TR Supply CC via TRF Sport	1	2015.06.30	Various	6,397.60	-	865.66	7,263.26
41	SC14102013	Supply and deliver protective clothing and safetywear	20-12-13	Safety Protective Clothing CC	Non-compliant Contributor	2015.06.30	Various	57,152.50	-	8,001.35	65,153.85
41	SC14102013	Supply and deliver protective clothing and safetywear	20-12-13	Duco Industrial (Pty) Ltd	3	2015.06.30	Various	537,700.00	-	75,278.00	612,978.00
41	SC14102013	Supply and deliver protective clothing and safetywear	20-12-13	Pleaar Brothers (Pty) Ltd	4	2015.06.30	Various	86,018.45	-	12,042.58	98,061.03
42	SC14122013	Cleaning Project Mt Pleasant, Orrus Vermont	06-12-13	Nicky's Cleaning services	3	2016.06.30	6,734.25	933,214.84	-	-	933,214.84
42	SC14122013	Cleaning Project Mt Pleasant, Orrus Vermont	06-12-13	Mr. Deon Louw	Non-compliant Contributor	2016.06.30	12,394.60	1,782,756.90	-	-	1,782,756.90
43	SC14132013	Supply and deliver inventory items.	06-12-13	Impact Plastic Containers (Pty) Ltd	6	2015.06.30	Various	102,300.00	-	14,322.00	116,622.00
43	SC14132013	Supply and deliver inventory items.	06-12-13	Carbon Sense CC	1	2015.06.30	Various	703,624.50	-	-	703,624.50
44	SC14142013	Fire Fighting/Rescue Pumper	20-12-13	Marce Projects (Pty) Ltd	3	30-06-14	2,567,925.06	-	2,567,925.06	359,509.51	2,927,434.57
45	SC14152013	Supply and deliver office equipment and furniture	13-12-13	Cape Sealing Manufacturer CC	1	30-06-14	Various	-	77,961.00	10,914.54	88,875.54
45	SC14152013	Supply and deliver office equipment and furniture	13-12-13	Waitons (Pty) Ltd	Non-compliant Contributor	30-06-14	Various	-	111,191.00	15,566.74	126,757.74

**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- 2nd QUARTER 2013/2014: OCTOBER to DECEMBER 2013**

#	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)
46	SC1418/2013	Provision of Services to Host the Websites of Overstrand Municipality	20-12-13	Max Internet Technologies CC via Naxitec	Non-compliant Contributor	30-06-16	Various	378,000.00	-	52,640.00	428,640.00
47	SC1419/2013	Appointment of EIA practitioner for sidewalk from Heuningloof to Kleinmond CBD	18-12-13	Fynbosland Consulting CC via PHS	Non-compliant Contributor	30-06-14	38,000.00	38,000.00	-	5,040.00	41,040.00
48	SC1420/2013	Appointment of EIA practitioner for sidewalk along Beach Road Kleinmond	18-12-13	Fynbosland Consulting CC via PHS	Non-compliant Contributor	30-06-14	38,000.00	38,000.00	-	5,040.00	41,040.00
49	SC1421/2013	Provision of small works and maintenance " as and when"	20-12-13	Alan Bailey Civil Engineering and Construction CC	4	31-12-16	Various	7,650,000.00	-	1,071,000.00	8,721,000.00
50	SC1426/2013	Replacement of air conditioning unit at the Overstrand Municipal Auditorium, Hermanus.	27-12-13	Cancelled - No responsive bids received	N/A	-	-	-	-	-	-
51	SC1418A/2012	Amendment/Variation: The re-surfacing and rehabilitation of roads in the Overstrand	13-12-13	Zebra Surfacing (Pty) Ltd & Isidina Civils (Pty) Ltd JV	N/A	30-06-14	-	683,490.04	-	95,888.61	779,178.65
52	SC1378A/2013	Amendment/Variation: Paving of roads in Hawston Phase 3 - Additional paved sidewalks	13-12-13	Peter Starke Civils CC	N/A	2014.06.30	-	-	814,061.02	113,968.54	928,029.56
								49,485,677.26	23,834,891.68	3,041,052.05	81,362,221.00



**SUPPLY CHAIN MANAGEMENT REPORT IN TERMS OF CLAUSE 5(4) OF THE SCM POLICY**

**Deviations from the Policy, Approved in terms of Clause 36(1)(a) for the 2nd Quarter of 2013/2014- October to December 2013**

#	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	SCD2658	2013-10-07	Clause 36(1)(a)(v)	The identification and repair of fault with the engine of refuse tanker CEM 11980, which had overheated and needed to be reconditioned, via a strip-and-quote process.	Manager: Corporate Services, Aneleze J.J.F.	A Nel 'n Worcester Enjiniersbun	R 70,856.00		R 9,687.30	R 80,543.30
2	SCD2659	2013-09-19	Clause 36(1)(a)(v)	The Rental of Gas Cylinders procured through tender SC 27229310, which had a contract period ending 30 June 2014, was extended to 30 September 2014, as the cylinders still remained gas procured during the contract period of the said tender.	Manager: Corporate Services, Aneleze J.J.F.	African Oxygen LTD	R 2,240.00		R 319.20	R 2,559.20
2	SCD2660	2013-10-01	Clause 36(1)(a)(v)	The provision of a budgeting course for Working for Water contractors by the service provider who's course content has been specifically designed for and approved by the Department of Environmental Affairs Working for Water programme.	JA Manager: Working for Water, Sampson T.	Forresty Solutions (Pty) Ltd	R 41,308.50		R 5,783.19	R 47,091.69
3	SCD2662	2013-10-04	Clause 36(1)(a)(v)	The identification of fault with the high-pressure pump of vehicle CEM 10225, which had begun leaking and required the replacement of its primer, via a strip-and-quote process.	Manager: Corporate Services, Aneleze J.J.F.	Fire Raisers (Pty) Ltd	R 22,167.12		R 3,103.40	R 25,270.52
4	SCD2663	2013-10-07	Clause 36(1)(a)(v)	The Servicing of Catepillar equipment (CAM16700 & CEM19317) by the sole authorised agent for Southern Africa	Manager: Corporate Services, Aneleze J.J.F.	Baricownd Equipment, a division of Baricownd South Africa (Pty) Ltd	R 16,507.29		R 2,311.02	R 18,818.31
5	SCD2664	2013-10-10	Clause 36(1)(a)(v)	License fees for the use of the Traffic Contravention System software by the owner of the software for the 2013/14 financial year, ending 30 June 2014.	Chief: Traffic Services, Fraser R.	Total Client Services (Pty) Ltd	R 56,500.00		R 7,910.00	R 64,410.00
6	SCD2665	2013-10-15	Clause 36(1)(a)(v)	The urgent procurement of protective clothing and safety wear without following the Formal Written Quotation process for procurement above R 50,000 in order to mitigate risk to employees and the impact on service delivery, during the absencing of the larger 3 year tender.	Deputy Director: Community Services, Barryman M.	Various Contractors	R 185,857.00		R 13,383.98	R 179,240.98
7	SCD2666	2013-10-17	Clause 36(1)(a)(v)	The Strip-and-quote identification and repair of fault with transmission of CAM 18700, which would not operate in higher gears, by the authorised South African agent.	Manager: Corporate Services, Aneleze J.J.F.	Baricownd Equipment, a division of Baricownd South Africa (Pty) Ltd	R 39,977.13		R 5,596.81	R 45,573.99
8	SCD2667	2013-10-17	Clause 36(1)(a)(v)	The identification and repair of fault with the engine of CEM 13034, which had overheated and required the valve guides to be replaced and the cylinder head screamed, via a strip-and-quote process.	Manager: Corporate Services, Aneleze J.J.F.	A Nel 'n Worcester Enjiniersbun	R 3,485.00		R 487.90	R 3,972.90

## Deviations from the Policy, Approved in terms of Clause 36(1)(a) for the 2nd Quarter of 2013/2014- October to December 2013

#	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
9	SCD2668	2013-10-30	Clause 36(1)(a)(v)	The identification and repair of fault with the engines of CEM 15468 and CEM 71, which both displayed oil pressure faults and required repairs to the cylinder heads, via a strip-and-quote process.	Manager: Corporate Services, Anele JUF	A Nel'isa Worcester Enjinastum	R 11,415.00		R 1,598.10	R 13,013.10
10	SCD2669	2013-11-08	Clause 36(1)(a)(v)	The provision of services for the hoisting 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 31 January 2014, in order to make provision for the new procurement process SC 1419/2013.	Director, Management Services, D. Armon	Max Internet Technologies CC via Maxtec	R 12,860.70		R 1,803.30	R 14,664.00
11	SCD2670	2013-11-15	Clause 36(1)(a)(v)	The identification and repair of various faults identified with the body of refuse tanker CEM 11377 via a strip-and-quote process.	Manager: Corporate Services, Anele JUF	Trens Manufacturing (Pty) Ltd	R 74,483.83		R 10,428.02	R 84,913.85
12	SCD2671	2013-11-18	Clause 36(1)(a)(ii)	The supply and delivery of Bio-Remedial products (BIOR 301 KNK Super) for the remediation of two maturation ponds at the Hermanus Wastewater Treatment Works for the supplier who has been granted exclusive rights for Blythe's products in South Africa.	Deputy Director: Community Services, Barman M	Second Opinion Consulting CC	R 53,847.37		R 8,252.63	R 62,100.00
13	SCD2672	2013-11-20	Clause 36(1)(a)(ii)	The repair and recalibration of the Power Track meter by Advanced Monitoring Solutions as the sole supplier of Power Track instruments.	Senior Superintendent: Electro Technical Services, Lourens DC	Advanced Monitoring Solutions CC	R 2,900.00		R 364.00	R 2,964.00
14	SCD2673	2013-11-21	Clause 36(1)(a)(v)	The identification and repair of faults identified with the 'Greenskeeper' travelling irrigation units, utilised at the Gansbaai sports field, via a strip-and-quote process.	Senior Manager: Gansbaai and Stanford Administration, Myburgh F	Robin Africa Industries CC	R 12,892.04		R 1,776.89	R 14,468.93
15	SCD2675	2013-11-28	Clause 36(1)(a)(v)	Provision of Lifestaving Services for the Overstrand Area for the period ending 30 June 2014, after the withdrawal of the successful tenderer of SC 1393/2013: Lifestaving Services For Overstrand Area.	Senior Manager: Hermanus Administration, D Kearny	Nelson Saa & Sand Institute and Overstrand Community Lifeguards	R 236,873.45		R 38,793.54	R 265,466.99
16	SCD2677	2013-11-29	Clause 36(1)(a)(v)	IRP 5 and practical workshop training by Payday Software Systems (PTY) LTD.	Senior Manager: Human Resources, Lucinda Buchanan	PayDay Software Systems (Pty) Ltd	R 7,844.74		R 1,105.26	R 9,000.00
17	SCD2676	2013-12-05	Clause 36(1)(a)(ii)	The repair of sewerage vacuum pumps. Broom Engineering CC is the sole supplier of these vacuum pumps.	Director: Community Services, R Williams	Broom Engineering	R 7,342.00		R 1,027.88	R 8,369.88
18	SCD2678	2013-12-03	Clause 36(1)(a)(ii)(a)(i)	The appointment of a contractor for the repair of security walls (Swallow Park) damaged by excessive rain on 16 November 2013. The contractor must be able to provide a quote. Quotations due to the limited time and to prevention the possibility of injury to the public.	Manager: Operational Services, Burger P	Alan Bailey Civil Engineering & Construction CC	R 20,945.00		R 4,108.30	R 33,453.30
19	SCD2679	2013-12-05	Clause 36(1)(a)(ii)	Overstrand Municipality Fire Services is using BW Technologies gas detector. BW Technologies have given a letter stating that Invuyani Safety is the sole representative to repair and recalibrate the three gas detectors.	Chief Fire Officer, Smith L	Invuyani Safety	R 2,895.28		R 399.74	R 3,295.00
20	SCD2680	2013-02-05	Clause 36(1)(a)(ii)	The supply and delivery of SPI-Yai Quick Seals, from the sole authorised suppliers of NIC products for the African region.	Senior Manager: Chief Electro Technical Services, D. Prass K	Power Measurement & Distribution CC	R 19,750.00		R 2,766.00	R 22,515.00

Deviations from the Policy, Approved in terms of Clause 36(1)(a) for the 2nd Quarter of 2013/2014- October to December 2013										
#	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
21	SCD2681	2013-12-05	Clause 36(1)(a)(ii)	Repair of the gearbox for the Digger Loader CEM 8154 via a strip and quote. Kimmach Cape (PTY) LTD is the accredited and sole JCB construction Equipment dealer for the Western Cape	Director: Community Services: Williams R	Kimmach Cape (PTY) LTD	R 16,548.40		R 2,316.50	R 18,862.90
22	SCD2682	2013-12-05	Clause 36(1)(a)(ii)	The Provision of a training workshop on T.A.S.K Job Evaluation by the sole registered owners of the trade mark and associated intellectual property.	Senior Manager: Human Resources: L. Bucchiarani	Devotte Consulting (Pty) Ltd	R 9,250.00		R 1,295.00	R 10,545.00
23	SCD2683	2013-12-10	Clause 36(1)(a)(v)	Procurement of services of a motivational speaker, Mr. PD Geldenhuys, at the municipality's bi-annual strategic session on 04 December 2013.	Director: Management Services: Armin D	Mr. PD Geldenhuys	R 8,500.00		R -	R 8,500.00
24	SCD2684	2013-12-18	Clause 36(1)(a)(v)	Burnar Chills was requested to repair the sewerage pipeline in Standford due to the fact that the municipality did not have the necessary equipment to perform the work	Deputy Director: Operational Services: Barman M	Burnar Chills	R 11,275.00		R 1,578.99	R 12,853.99
25	SCD2685	2013-12-09	Clause 36(1)(a)(v)	The procurement of services for the Hiring of Sewerage Vacuum Tankers for the peak festive periods December 2013/January 2014 and April 2014, after the official procurement and SCM Regulation 32 processes failed to identify a preferred supplier.	Deputy Director: Community Services: Barman M	Jenac South Africa (Pty) Ltd	R 875,000.00		R 122,500.00	R 997,500.00
26	SCD2686	2013-12-13	Clause 36(1)(a)(ii)	The leasing and service of Dräger Self Containing Breathing Apparatus equipment, by the sole importer, supplier and service company of Dräger equipment in South Africa	Chief Fire Officer: Smith L	Dräger South Africa (Pty) Ltd	R 4,350.00		R 596.40	R 4,956.40
27	SCD2687	2013-12-11	Clause 36(1)(a)(v)	The provision of mobile telecommunications services for use in the operation of Overstrand Municipality's telemetry systems via the developer and implementer of the said system, with a contract period 1 July 2013 to 30 June 2014.	Principal Technician: Operational Services: le Roux G	Spectrum Communication, a Division of Comcasteur Electronics (Pty) Ltd	R 5,412.00		R 757.68	R 6,169.68
28	SCD2688	2013-12-27	Clause 36(1)(a)(ii)	On the 16 November 2013 Fred De Pauw Commercial Diving Services CC assisted the municipality with flooding in Garabai.	Deputy Director: Operational Services: Barman M	Fred De Pauw Commercial Diving Services CC	R 5,400.00		R -	R 5,400.00
29	SCD2689	2013-12-20	Clause 36(1)(a)(v)	The identification and repair of the vacuum pump and rear crank bearings of sewerage tanker CAM25655 via a strip-and-quote process.	Director: Community Services: Williams R	Automotive Dynamix	R 25,028.80		R 3,643.75	R 29,672.55
							1,857,330.68		241,853.39	2,099,214.04



Navrae: Mr B D'Oliviera  
Enquiries:

Lêerverwysing:  
File Reference:

Datum: 30 August 2013  
Date:

KANTOOR VAN DIE MUNISIPALE BESTUURDER /  
OFFICE OF THE MUNICIPAL MANAGER

The Minister of Local Government, Environmental Affairs & Development Planning  
Private Bag X 9186  
Cape Town  
8000

The Auditor-General Western Cape  
Private Bag X 1  
Chempet  
7442  
(For attention: Mr. Leslie Holland)

Sir

**REPORTING OF IRREGULAR EXPENDITURE BY THE OVERSTRAND MUNICIPALITY:  
2012/2013 FINANCIAL YEAR**

This is a report in terms of Section 32(4) of the Local Government Municipal Finance Management Act (Act 56 of 2003).

Please find hereunder a schedule of irregular expenditure incurred by the Overstrand Municipality.

SCMIE #	Description	Type of Prohibited Expenditure	Awarded to	Date of Payment	Value of Expenditure
2013/01	Leasing of Erf 4485 in Kleinmond for office accommodation without following a competitive bidding process in terms of Paragraph 19(a) of the Policy and awarding to a service provider whose tax matters are not in order	SCM Regulation 19	ACM Krige	2013/02/13	R 40,960.00
2013/02	Repair of curtain rail in auditorium during the Kalfiefees in 2011 as a strip-and-quote prior to approval of a deviation	SCM Regulation 16	Anza Curtains	2012/07/27	R 1,000.00
2013/03	Procurement of tow-in services from the only available service provider in Hermanus without obtaining three quotations and prior approval of the deviation	SCM Regulation 16	Hermanus Towing	2012/10/15	R 550.00
2013/04	Procurement of tow-in services from the only service provider available at the time without obtaining either two quotations or prior approval of a deviation	SCM Regulation 16	Hermanus Towing	2012/12/06	R 1,250.00
2013/05	Procurement of the services of an event co-ordinator to arrange the Mayoral Ball without obtaining either three quotations or prior approval of a deviation	SCM Regulation 16	Dieter Odendaal	2013/01/11	R 5,000.00

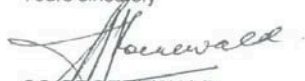
SCMIE #	Description	Type of Prohibited Expenditure	Awarded to	Date of Payment	Value of Expenditure
2013/06	The urgent programming and installation of a municipal radio repeater at Betty's Bay without obtaining either three quotations or prior approval of a deviation.	SCM Regulation 16	Estreaux Systems CC t/a Beniekor Communications	2013/03/12	R 4,502.43
2013/07	The procurement of a conference venue for the SDF Forum held on 23 & 24 August 2012, award to a person in the service of the state: Zelpy 1776 (Pty) Ltd t/a Misty Waves. Councillor M. Lerm	SCM Regulation 44	Zelpy 1776 (Pty) Ltd	2012/08/30	R15,600.00
2013/08	Non-compliance with Regulation 22: The award of tender SC 879/2010, for the operation of Gansbaai Landfill site and public drop-offs in Greater Gansbaai and Stanford, with an estimate contract value of above R 10 million (Incl. VAT).	SCM Regulation 22	Enviroserve Waste Management (Pty) Ltd	2013/06/30	R 9,129,284.95
				Future payments	R 16,179,127.37
2013/09	Non-compliance with Regulation 22: The award of tender SC 781/2009, for the Transport of Containerised Municipal Solid Waste and Chipping of Garden Waste, with an estimate contract value of above R 10 million (Incl. VAT).	SCM Regulation 22	Enviroserve Waste Management (Pty) Ltd	2013/02/28	R 20,791,502.57

The municipality has instituted internal investigations into these incidences of irregular expenditure and will report on the findings as soon the investigations have been completed. The findings will also, where applicable, be presented to the municipality's Section 79 Committee and National Treasury to be considered for condonation, recovery or write-off, where applicable.

In an attempt to prevent a recurrence of such expenditure, the following steps will be implemented:

- Continuous awareness of the roles and responsibilities of municipal officials involved in supply chain management processes, through informative workshops and road-shows.
- The development and implementation of a council policy dealing with unauthorised, irregular and fruitless and wasteful expenditure.
- Enforcement of a zero tolerance approach to unauthorised, irregular or fruitless and wasteful expenditure.

Yours sincerely

  
**CC GROENEWALD**  
**MUNICIPAL MANAGER**

cc: Executive Mayor  
 Director: Finance  
 Chief Audit Executive