

**4.
SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT – 2014/2015:
QUARTER: 01 OCTOBER TO 31 DECEMBER 2014**

8/2/2

**CEM La Cock
12 January 2015**

(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 2nd Quarter of the 2014/2015 financial year, 01 October to 31 December 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 2 nd Quarter	2014/2015 to date	2013/2014
Bids Processed	31	60	131
Bids Processed- Average per Quarter	31	30	33
Average days from final evaluation to Bid Adjudication Committee	7	7	8
Average days from initiation to Bid Specification Committee	7	5	7
Estimated Value of Awards (R)	46,216,454.70	213,993,371.40	181,586,965.21

A schedule of these awards for the 2nd 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 2nd 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 Q2	Total Value of Awards (Including VAT, where applicable) To Date
Bid Awards (31)	28,544,573.97	14,035,292.76	3,650,587.97	46,216,454.70	213,993,371.40

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 2 nd Quarter	2014/2015 to date	2013/2014
Clause 36(1)(a)(i)	Emergency	1	1	4
Clause 36(1)(a)(ii)	Sole Supplier	9	13	22
Clause 36(1)(a)(iii)	Special works of Art	0	2	0
Clause 36(1)(a)(v)	Impractical Impossible	10	28	67
		20	44	93

A schedule of all Deviations approved by the Municipal Manager or by the delegated officials for the 2nd 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 2nd 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 Q2	Total Value of Awards (Including VAT, where applicable) To Date
Deviations (20)	1,075,611.13	-	151,191.74	1,226,991.97	2,947,060.83

c) Minor Breaches

The Supply Chain Management Policy states in Clause 36(1)(b) that the Accounting Officer may consider ratifying any minor breach 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 breach of the Supply Chain Management Policy in the 2nd Quarter of the 2014/2015 financial year:

SCMMB #	Date approved	Description
2015/03	2014.12.01	The advertising period and method of Tender SC 1539/2014 which was not in terms of Paragraph 22(1)(a)&(b) of the 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 2nd 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:

that **cognisance be taken** of the activities undertaken and outcomes achieved in the implementation of the Overstrand Municipality Supply Chain Management Policy for the 2nd 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 AS WELL AS CANCELLED IN TERMS OF COUNCIL'S SCM AND PREFERENTIAL PROCUREMENT POLICY - 2nd QUARTER 2014/2015:
OCTOBER TO DECEMBER 2014**

#	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	SC-1478/2014	Supply and delivery of electrical inventory items for a contract period ending 30 June 2017	2014/10/01	Cancelled - Validity period expired	N/A	N/A	-	-	-	-	-	
2	SC-1493/2014	Supply & Deliver Vehicles	2014/10/10	Cancelled - Tender validity period lapsed	N/A	N/A	-	-	-	-	-	
3	SC-1496/2014	Inspection and Repair of Hopper Refuse Truck	2014/10/10	Hydrenco (Pty) Ltd	2	2015.06.30	-	R 223 455.67	-	R 31 280.99	R 254 736.66	
4	SC-1497/2014	Cleaning projects for the Kleinmond informal areas: Overhills	2014/10/03	GK Cleaning Services	Non-compliant Contributor	2017.06.30	R 9 300.00 per week	R 1 249 541.00	-	-	R 1 249 541.00	
		Cleaning projects for the Kleinmond informal areas: Poppoedorp		N Jones Iia Sunshine Services	3	-	R 1 607 091.36	-	-	R 1 607 091.36		
5	SC-1509/2014	Management services for Gansbaai Caravan Park	2014/10/28	Cancelled - No responsive bids received	N/A	N/A	-	-	-	-	-	
6	SC-1510/2014	Supply and delivery of galvanneal metal roof sheets for a contract period ending 30 June 2015	2014/10/06	The Business Zone 1583 CC I/a Aquatouch Trading	1	2015.06.30	-	R 133 306.83	-	R 18 862.96	R 151 969.79	
7	SC-1516/2014	Construction of Steel Frame Structure in Pletty Beach	2014/10/27	Misanda Trading CC	1	2015.02.28	-	-	R 171 156.39	R 23 961.89	R 195 118.27	
8	SC-1521/2014	Supply and deliver hydraulic pump Caterpillar CEM 31759	2014/10/27	Purple Rose Distributions CC	3	2014.11.30	-	R 49 866.60	-	R 6 981.32	R 56 847.92	
9	SC-1500/2014	Supply, installation and commissioning of an emergency power generator	2014/11/14	Cancelled - Service no longer needed	N/A	N/A	-	-	-	-	-	
10	SC-1501/2014	Construction of Eluwoveni wastewater treatment works	2014/11/28	Peter Stark Civils CC	Non-compliant Contributor	2015.06.30	-	-	R 6 060 704.70	R 848 498.66	R 6 909 203.36	
11	SC-1503/2014	Allen clearing for the Overstrand Municipality Working for Water	2014/11/07	Benjamin September	3	2017.08.30	Various	R 9 153 150.82	-	-	-	R 9 153 150.82
				Princess Kuluksa	3							
				Warren de Jager	3							
				Freddie Aendisa	3							
				Pietros May	3							
Edwin Carelse	3											
Nelene Jones	3											

**TENDERS & FORMAL WRITTEN QUOTATIONS AWARDED AS WELL AS CANCELLED IN TERMS OF COUNCIL'S SCM AND PREFERENTIAL PROCUREMENT POLICY - 2nd QUARTER 2014/2015:
OCTOBER TO DECEMBER 2014**

#	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)
12	SC-1505/2014	MV & LV Upgrade Hermanus Harvest Meimond	2014/11/07	ECH Intelligent Infrastructure (Pty) Ltd	2	2015.09.30	-	- R	5 611 554.90	R 785 617.69	R 6 397 172.59
13	SC-1506/2014	Electrification of Thambo Square Informal settlement	2014/11/14	Outdoor Illumination CC	1	12 weeks	-	- R	1 145 081.50	R 160 437.41	R 1 305 418.91
14	SC-1518/2014	Lifeline Services for the Overstrand Blue Flag Beaches for a contract period ending 30 June 2016.	2014/11/10	Symbio Environments (Pty) Ltd.	3	2016.06.30	Various	R 502 140.00	-	- R	R 502 140.00
15	SC-1522/2014	Sandbaal Stormwater Gullies	2014/11/19	Sea and Shore Projects (Pty) Ltd	Non-Compliant Contributor	3 weeks	-	- R 175 057.39	-	R 24 508.03	R 196 565.42
16	SC-1525/2014	Supply and delivery of printing paper and cartridges to Overstrand Municipality for a contract period ending 30 June 2017	2014/11/14	Startone (Pty) Ltd CMH Vivant Computer Solutions (Pty) Ltd Khusela Solutions (Pty) Ltd	3 1 3	2017.06.30	Various	R 1 475 871.08	-	R 206 821.95	R 1 682 493.03
17	SC-1543/2014	Supply and delivery of branded 1000 t-shirts and matching caps	2014/11/24	Jazz Spirit 1340 CC	2	3 weeks	Various	R 69 950.00	-	R 9 793.00	R 79 743.00
18	SC-1512/2014	Request for quotation for the lease of the De Mond caravan park and adjacent land to develop a public resort	2014/12/12	Cancelled - The only bidder did not meet the required minimum pre-qualification scoring	N/A	N/A	-	-	-	-	-
19	SC-1519/2014	Supply & Deliver Stormwaterpipes for the period ending 30 June 2017	2014/12/12	VW Engineering Supplies CC	1	2017/06/30	Various	R 1 476 000.00	-	R 206 840.00	R 1 682 840.00
20	SC-1532/2014	Tablet hardware and data packages to run time and attendance solution	2014/12/19	MRC Lifestyle CC (via Tractone F Like (a Supreme Electrical Supplies Aberdare Cables (PTY) LTD Startone (PTY) LTD Siyehambali Electrical & Industrial Supplies CC Powerrec (PTY) LTD WCC Cables (PTY) LTD	1 3 2 1 1 1 1	2017/01/31	Various	R 286 978.00	-	R 40 176.92	R 327 154.92
21	SC-1526/2014	Supply and delivery of electrical inventory items for a contract period ending 30 June 2017	2014/12/05	Zenart Labour Distributions (PTY) LTD Ray Cape CC Jocastro (PTY) LTD Electro Inductive Industries (PTY) LTD Whale Rock	1 3 3 Non-Compliant Contributor Non-Compliant Contributor	2017/06/30	Various	R 11 476 800.00	-	R 1 063 100.00	R 12 540 000.00

#	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)
				PJ Technologies Cape CC	4						
				Iron Metering Solutions South Africa	3						
22	SC-1527/2014	Training for Supervisors	2014/12/11	Imperial Crown Trading 485 (Pty) Ltd T/	4	2015/06/30	R645.00 per learner	R 25 800.00	-	-	R 25 800.00
23	SC-1529/2014	Training to maintain and operate chainsaws	2014/12/11	Coalition Training 1238 CC	1	2015/06/30	R2350.00 per learner	R 41 228.07	-	R 5 771.93	R 47 000.00
24	SC-1530/2014	Electrification of 84 low cost houses in Masakhane Gansbaai	2014/12/12	Yieldstar Electrical CC t/a WP Electric	3	2015/06/30	-	-	R 1 045 895.28	R 146 425.34	R 1 192 320.62
25	SC-1532/2014	Purchase and maintenance for high sales, mobile and portable radios for Overstrand Municipality for the period ending 31 October 2014	2014/12/19	Benilekor Communications	Non- Compliant Contributor	2015/11/30	Various	R 180 000.00	-	R 25 200.00	R 205 200.00
26	SC-1533/2014	Construction of two mini steel pavilions for Zwelithle tennis courts	2014/12/11	Masanda Trading CC	1	6-8 weeks	-	R 94 605.25	-	R 13 244.74	R 107 849.99
27	SC-1534/2014	Supply and deliver UPS batteries for Overstrand Municipality	2014/12/04	UPS Cape CC t/a Digital Energy	3	2015/06/30	Various	R 70 865.28	-	R 9 921.14	R 80 786.42
28	SC-1536/2014	Supply and delivery of cutlery and crockery for Mofasi Hall	2014/12/11	Journey Fountain Victory	3	2015/06/30	Various	R 76 186.62	-	-	R 76 186.62
29	SC-1539/2014	Provision of computer software for the capturing of fines	2014/12/05	Synkel (Pty) Ltd	2	2016/12/31	R900.00 per learner	R 57 000.00	-	R 7 000.00	R 64 000.00
30	SC-1542/2014	Supply festive rope lights 2 & 3 wire and controllers	2014/12/11	Candi-Lite Cables CC	4	Once off	-	R 119 600.00	-	R 16 744.00	R 136 344.00
31	SC-1546/2014	Training in basic life support for first aid practitioners (SQA 116567) for period ending 30 June 2015 for early childhood development practitioners.	2014/12/11	Cancelled - price was not market related	N/A	N/A	-	-	-	-	-
								R 28 544 573.97	R 14 035 292.76	R 3 650 387.97	R 46 216 454.70



DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE SECOND QUARTER - OCTOBER - DECEMBER 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	SCD2763	2014/10/02	Clause 36(1)(b)(i)	Service and calibration of Dregger Alcohol test apparatus	Chief Traffic Services, Fraser F	Dregger South Africa (PTY) LTD	R 1 588.00	-	R 278.22	R 2 266.32
2	SCD2764	2014/10/03	Clause 36(1)(b)(i)	Repair of faulty traffic light by the sole manufacturer and supplier.	Chief Traffic Services, Fraser F	Sytek (PTY) LTD	R 3 657.00	-	R 511.98	R 4 168.98
3	SCD2765	2014/10/20	Clause 36(1)(b)(v)	The Servicing of Caterpillar equipment (CAM16700 & CEM19317) by the sole authorised agent for Southern Africa	Acting Manager Fleet, Frans F	Barbours Equipment, a division of Barbours South Africa (Pty) Ltd	R 10 629.71	-	R 1 488.16	R 12 117.87
4	SCD2766	2014/10/22	Clause 36(1)(b)(v)	The repair of the robot in Sandbaai by the supplier who had to come out and inspect the robot in order to identify the problem.	Chief Traffic Services, Fraser F	Trafic Management Technologies	R 2 570.00	-	R 358.80	R 2 928.80
5	SCD2767	2014/10/27	Clause 36(1)(b)(v)	Problems were experienced with CEM 10843, three point hydraulic system. This vehicle was sent to Algo Lantini for inspection to determine the problem and the extent thereof. It was found that the control tank was damaged and had to be replaced.	Acting Manager Fleet, Frans F	Algo Lantini Lantini/overstranding BK	R 14 660.57	-	R 2 052.46	R 16 713.05
						Sophomeli Electrical and Industrial Suppliers CC	R 84 306.55	-	R 11 802.92	R 96 109.47
						Volter Overstrand	R 8 132.24	-	R 1 138.51	R 9 270.75
6	SCD2768	2014/10/24	Clause 36(1)(b)(v)	The urgent procurement of electrical inventory as the store department is unable to meet the demand of the electrical departments. Due to the expiry of the validity period and cancellation of tender SC1478/2014. The new tender for the electrical inventory has been advertised on the 02/10/2014.	Acting Store Coordinator, vdi Marwe JC	ACTOM Electrical Products A Division of ACTOM (PTY) LTD	R 110 538.61	-	R 15 475.41	R 126 014.02
						Powerec (PTY) LTD	R 16 223.00	-	R 2 271.22	R 18 494.22
						Aberlure Cables	R 13 665.00	-	R 1 913.10	R 15 578.10
7	SCD2769	Awaiting approval	Clause 36(1)(b)(v)	The procurement of laminated padlocks for the pumpstation, boreholes and reservoirs. The brass/copper padlocks are being stolen and sold for scrap metal. Patch Industrial Suppliers	Assistant Manager - Operational, Nel D	Patch Industrial Suppliers	R 25 765.24	-	R 3 609.93	R 29 365.17
8	SCD2770	2014/10/29	Clause 36(1)(b)(v)	The intercom system controlling access to the municipality via the gate in Harmony Road was damaged due to a lightning strike. The supplier who originally installed the system was contacted to inspect and quote to replace the damaged system.	Fleet Technician, Marc T	Mt Spike Overberg CC	R 3 509.00	-	R 491.26	R 4 000.26
9	SCD2771	2014/10/29	Clause 36(1)(b)(v)	The supplier who was engaged during a lighting exercise and needs to be replaced. The manufacturer confirmed that Fire Rainers are the exclusive and authorized dealer in South Africa.	Chief Fire, Smith L	Fire Rainers Cape (PTY) LTD	R 16 736.50	-	R 2 343.11	R 19 079.61
10	SCD2773	2014/10/30	Clause 36(1)(b)(v)	The supplier was contacted to perform a pressure test on the digger trolley (CEM8154). The supplier found that there was too much oil in the transmission and needs to be repaired.	Acting Manager Fleet, Frans F	Kemach Cape	R 2 688.10	-	R 377.73	R 3 075.83
11	SCD2766A	2014/11/21	Clause 36(1)(b)(v)	The Servicing of Caterpillar equipment (CAM16700 & CEM19317) by the sole authorised agent for Southern Africa. Refer to SCD 2763 for the initial cost	Acting Manager Fleet, Frans F	Barbours Equipment, a division of Barbours South Africa (Pty) Ltd	R 3 635.42	-	R 508.86	R 4 144.38

Annexure B 1/2

DEVIATIONS FROM THE POLICY, APPROVED IN TERMS OF CLAUSE 36(1)(a) FOR THE SECOND QUARTER - OCTOBER - DECEMBER 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	
12	SCD2772A	2014/11/20	Clause 36(1)(a)(v)	The identification and repair of fault with electricity supply cables in Hawston, after the main breaker tripped and indicated a supply fault. The previous provider with the contract was replaced by the new provider for SCD 2772 for the total cost of R 3 392.12.	Senior Manager: Electrotechnical Services, G. Phisoa K	Callnet CC for Protection Testing	R 3 392.12	-	R 463.30	R 3 765.42	
13	SCD2774	2014/11/17	Clause 36(1)(a)(i)	The repair of the steering mechanisms of the digger loader (CEH 20311) by the sole authorized dealer for Caterpillar tracked machines and power systems.	Acting Manager: Fleet, Frans F	Backworld Equipment, a division of Backworld South Africa (Pty) Ltd	R 6 016.75	-	R 842.35	R 6 859.10	
14	SCD2775	2014/11/17	Clause 36(1)(a)(ii)	The urgent replacement of a cable in Hawston. If the cable is not replaced a third of Hawston and part of the central business area will be without electricity.	Senior Manager: Electrotechnical Services, G. Phisoa K	Adenco Construction (PTY) LTD	R 45 474.00	-	R 6 368.36	R 51 840.36	
15	SCD2776	2014/12/02	Clause 36(1)(a)(v)	Appointment of the contractor responsible for the construction of Baardskensdesbos Water Treatment Plant, being Kusasa Chemicals (Pty) Ltd, for the operation and maintenance of the said plant during the Defects Notification Period, 1 December 2014 to 30 November 2015.	Deputy Director: Engineering Planning, Brijnial H	Kusasa Chemicals (Pty) Ltd	R 132 000.00	-	R 18 480.00	R 150 480.00	
16	SCD2777	2014/12/10	Clause 36(1)(a)(i)	Repair of Caterpillar Grader (CAM 15700) gearbox by the sole authorised agent Barntoworld Equipment.	Acting Manager: Fleet, Frans F	Backworld Equipment	R 33 614.91	-	R 4 706.89	R 38 321.90	
17	SCD2778	2014/12/11	Clause 36(1)(a)(v)	Repairs to equipment and the reinstating of the mast at Dangepoint Gansbaai.	Senior Manager: Systems Development, Johann G	Bentlakor Communications	R 24 400.00	-	R 5 507.00	R 30 096.00	
18	SCD2779	2014/12/12	Clause 36(1)(a)(v)	The identification of fault and subsequent servicing of the generator in Gansbaai, after the system displayed an error (fault) message.	Senior Manager: Gansbaai and Standaard, M'burgh F	Genetec	R 10 617.50	-	-	R 10 617.50	
19	SCD2780	2014/12/19	Clause 36(1)(a)(i)	Replacement of 16 memcor ultra filtration membranes at the water treatment plant in Peary Beach by the sole distributor of memcor membranes Quality Filtration Systems CC	Manager: Operational, De Villiers J	Quality Filtration System, CC	R 481 310.56	-	R 67 383.30	R 548 693.86	
20	SCD2781	2014/12/23	Clause 36(1)(a)(v)	Due to the number of bursts in the Gansbaai Area the monitoring and maintenance at the Water Treatment Plant at Peary Beach needs to increase from a weekly to a daily basis as from 20 December 2014 to 2 January 2015.	Manager: Operational, De Villiers J	Quality Filtration System, CC	R 20 140.35	-	R 2 819.65	R 22 960.00	
							R 1 075 611.13	R	-	R 151 191.74	R 1 226 991.97

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 Tires	Description	Type of Prohibited Expenditure	Awarded to	Responsible Official	Amount Capital	Amount Operational	VAT @ 14%	Total
Incidents reported and currently under investigation															
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 110/2011 & SC 140/2011. Without following the Official Procurement Process.	SCM Clause 18	Various Contractors	B. Phasillas	R -	R 72 567,81	R -	R 72 567,81
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 16 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 Commoisseur Electronics (Pty) Ltd	G. de Rouk	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

Incidents Identified to-date in 2014/2015

2015/001	2014/06/26	2014/12/30	2014/06/20	2014/07/09	2014/07/02	In Process	2014/12/30	The execution of a controlled fire in Kleinmond for training purposes, by a suitably qualified service provider, without following the official procurement process, or, the timely application and approval of a deviation in terms of Paragraph 36 of the SCM Policy	SCM Clause 17	FFA Assets (Pty) Ltd	N. Green	R -	R 3 867,41	R 541,44	R 4 408,85
2015/002	2014/10/02	2014/12/30	N/A	2014/10/02	N/A	In Process	2014/12/30	The provision of security services for various sites and properties controlled by Overstrand Municipality, without following the official procurement process, or, the timely application and approval of a deviation in terms of Paragraph 36 of the SCM Policy	SCM Clause 19	Various Contractors	N. Michaels	R -	R 784 000,00	R 109 760,00	R 893 760,00
2015/003	2014/10/02	2014/12/30	N/A	2014/10/02	N/A	In Process	2014/12/30	The provision of a mobile link between the municipality's card payment system and ABSA, without following the official procurement process, or, the timely application and approval of a deviation in terms of Paragraph 36 of the SCM Policy	SCM Clause 19	Xlink (Pty) Ltd	E. Hooneberg	R -	R 47 880,00	R 6 703,20	R 54 583,20
2015/004	2014/10/02	2014/12/30	N/A	2014/10/02	N/A	In Process	2014/12/30	The provision of Multi Choice television services to staff members, without following the official procurement process, or, the timely application and approval of a deviation in terms of Paragraph 36 of the SCM Policy	SCM Clause 19	MultiChoice (Pty) Ltd	F. Frans	R -	R 43 750,00	R 6 125,00	R 49 875,00
2015/005	2014/09/15	2014/12/30	N/A	2014/09/15	2014/12/30	In Process	2014/12/30	The servicing of two Suzuki motorcycles, without following the official procurement process	SCM Clause 17	Grabouw Suzuki	F. Frans	R -	R 3 367,27	R 471,42	R 3 838,69