



**MOHOKARE**  
LOCAL MUNICIPALITY



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Ref: 4/11/1

10 July 2017

The Mayor  
Mohokare Local Municipality  
Mrs. I Mehlomakhulu

Dear Madam

**RE: ACKNOWLEDGEMENT OF RECEIPT**

I IRENE MEHLOMAKHULU hereby acknowledge receipt of the report Finance (SCM).

Background

**SCM REGULATION 6(3)(4)**

(3) The accounting officer must, within 10 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 or the board of directors of the municipal entity, as the case may be.

(4) The reports of a municipality must be made public in accordance with section 21A of the MSA. The reports of a municipal entity must be made public in a similar way

Report received

- Quarter 4: Supply Chain Implementation Report

  
\_\_\_\_\_  
Signature

10 July 2017  
Date

MAYOR/SPEAKER  
Designation

Issued by:	Management Representative		Document Name:	Acknowledgement on Receipt
Approved by:	Municipal Manager		Document Number:	C1EADM001
Issue Date:	20 January 2016		Revision Number:	03/2016
Review date:	1 June 2018		Copy:	Controlled Copy

# SUPPLY CHAIN MANAGEMENT POLICY IMPLEMENTATION REPORT

District:

Ahantsi

Name of Municipality:

Molokwane

Name of Municipal Entity/ Entities:

Reporting Date:

Monday, 10 July 2017

Contact Information

Name of Chief Financial Officer:

Mr P.M Dyonase

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Name of Accounting Officer:

Mrs L Ngoko - Rametse

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## SUPPLY CHAIN MANAGEMENT POLICY IMPLEMENTATION REPORT

### ACCOUNTING OFFICER'S LETTER

for the quarter ended  
30 June 2017

THE MAYOR

The attached report is submitted in line with Section 6 of Supply Chain Regulations which states that the Accounting Officer of the Municipality must within 10 days of the end of each quarter, submit a report on the implementation of SCM policy to the Mayor.

Based on the review performed, I can conclude that the contents of the report are accurate and represent the activities of the Supply Chain Management unit of the Municipality fairly.

Yours faithfully

  
\_\_\_\_\_  
Chief Financial Officer

Date: 10/07/2017

  
\_\_\_\_\_  
Accounting Officer/ Municipal Manager

Date: 10/07/17

**SUPPLY CHAIN MANAGEMENT**

<b>District:</b>	Xhariep	Mobokare	<b>Reporting Date:</b>	Monday, 10 July 2017
<b>Municipality:</b>				

<b>ESTABLISHMENT OF SCM</b>				
Area	Ref.	Background	STRUCTURE	COMMENTS
1	SCM Reg. 7	Is there a dedicated and functional supply chain management (SCM) unit?	SCM Manager, SCM Accountant and Demand & Acquisition Officer	Due to cash flow challenges the vacancies are not filled as yet.
Area	Ref.	Background	REVIEWED (YES/NO)	IF NOT REVIEWED, REASONS THEREOF
2	SCM Reg. 3	Reviewed and approved SCM Policy in line with National Treasury's Model Policy.	YES	Reviewed and Approved

<b>DEMAND MANAGEMENT</b>				
Area	Ref.	Background	IS THERE AN APPROVED PROCUREMENT PLAN IN PLACE (Y/N)	COMMENTS
3	Circular 62	Procurement plan for the current financial year, in respect of the procurement of goods, services and infrastructure projects which exceed R200 000 (all applicable taxes included) approved by the accounting officer.	YES	
Area	Ref.	Background	DATE OF APPROVAL	IF NOT, REASONS THEREOF
			30-Jun-16	

<b>ACQUISITION MANAGEMENT</b>				
Area	Ref.	Background	LAST REVIEW DATE	COMMENTS
4	SCM Reg14	Functional list of accredited prospective providers of goods and services maintained and used for verbal quotations and formal written price quotations.	Daily	The list is reviewed and updated on daily basis as in when the applications are received. Moreover the CSD is now effective.
Area	Ref.	Background	NEXT REVIEW DATE	NUMBER OF REGISTERED SUPPLIERS
			Daily	

BID COMMITTEES		Background	BID COMMITTEE IN PLACE (Y/N)	NAMES OF MEMBERS	DESIGNATIONS	COMMENTS
Area	Ref.					
5	SCM Reg 27	Functional ad hoc Bid Specification Committees (BSC) in operation and composed of one or more officials of the municipality, preferably the manager responsible for the function involved.	YES	<ol style="list-style-type: none"> <li>1.P. Bupye</li> <li>2.Pule Lemnyeho</li> <li>3.Ria Vini Pitpan</li> <li>4.Skhumbuzo Shamase</li> <li>5. T.Favele</li> </ol>	<ol style="list-style-type: none"> <li>1. LED Manager-Chairperson</li> <li>2. Demand &amp; Acquisition Officer-Member</li> <li>3. Admin Manager-Member</li> <li>4. PMU Manager-Member</li> <li>5. PMS Manager-Member</li> </ol>	
6	SCM Reg 28	Bid Evaluation Committee appointed composed of at least one SCM practitioner of the municipality.	YES	<ol style="list-style-type: none"> <li>1. Victoria Ramotzabi</li> <li>2. Lesibo Sebatane</li> <li>3. T.E. Fobane</li> <li>4. J Dyum</li> <li>5. M.B Raboko</li> <li>6. Skhumbuzo Shamase</li> <li>7. Selokane Modise</li> </ol>	<ol style="list-style-type: none"> <li>1. HR Manager-Chairperson</li> <li>2. SCM Accountant-Member</li> <li>3. Manager: water &amp; Sanitation-Member</li> <li>4. Water Quality Sampler-Member</li> <li>5. Electrical Technician-Member</li> <li>6. PMU Manager</li> <li>7. Junior PMU Technician</li> </ol>	<p>Mr Sandile Molejane, The chairperson of the Evaluation Committee has resigned just before the end of quarter 1 and Mrs Ramotzabi was appointed as the chairperson of the committee. And Mr Skhumbuzo Shamase was appointed on the 22/05/2017 and Miss Selokane Modise was appointed on the 26/05/2017 as an addition to the evaluation committee.</p>
7	SCM Reg 29	Bid Adjudication Committee appointed composed of at least four senior managers of the municipality.	YES	<ol style="list-style-type: none"> <li>1. Phakamisa Dyonase</li> <li>2. Shales Mburusi</li> <li>3. Mabilomola Tsomolobe</li> <li>4. Emmrentia Moades</li> <li>5. Moalosi Lolepe</li> </ol>	<ol style="list-style-type: none"> <li>1. C.F. D-Chairperson</li> <li>2. Acting Corporate Services Director-Member</li> <li>3. Technical Director-Member</li> <li>4. Acting Community Services Director-Member</li> <li>5. Committee Officer-Scriber</li> </ol>	<p>Mr Soakes Moorosi and Mr Emmrentia Moades were appointed at the adjudication after Mrs. L. Nqoko was appointed as Acting Municipal Manager. She (Mrs L. nqoko) could not serve in the adjudication anymore as she was now the acting MM.</p>

Area	Ref.	Background	REGISTRATION WITH CIDB'S TENDER (Y/N)	PROJECTS REGISTERED	IF NOT, REASONS THEREOF	COMMENTS
8	CIDB Regulations, (Regulations 18(1) & 18(1A))	Registration of construction works contracts above R200 000 in the CIDB register of projects.	YES		None	
<b>REGULATION 32 CONTRACTS</b>						
Area	Ref.	Background	DESCRIPTION	AMOUNT	INSTITUTION	COMMENTS
9	MFMA Reg 32	Procurement of goods and services under a contract secured by another organ of state.				No goods were procured under a contract secured by another organ of the state for this quarter.
<b>DEVIATIONS FROM PROCUREMENT PROCESSES</b>						
Area	Ref.	Background	DESCRIPTION	AMOUNT	UPLOADING ON THE WEBSITE (Y/N)	COMMENTS

Area	Ref.	Deviations from the procurement processes approved by the accounting officer:	1. Parts : TLB 2. Diesel 3. Flight 4. Repairs of TLB 5. Accommodation, Flight and Transport	1.R 6 493.19 2.R 2 430.20 3.R 7 735.05 4.R 7 400.24 5.R 137 963.23	1.N 2.N 3.N 4.N 5.N	All deviations are reported to Sec 75 committee and then taken to Council.
<b>UNSOLICITED BIDS</b>						
10	MFMA Reg. 36					
11	MFMA Reg. 37	Background If an unsolicited bid(s) has been considered was it because: - the product or service offered was a demonstrably or proven unique innovative concept; - will be exceptionally beneficial to, or have exceptional cost advantages for the municipality?	Description	Amount R 0.00	Reasons No unsolicited bid(s) has been considered	Public Participation (Y/N)
<b>DISPOSAL MANAGEMENT</b>						
12	MFMA Reg. 40	Background Assets disposal	Asset(s) disposed	Disposal Method	Cost Price R 0.00	Beneficiary

CONTRACT AND PERFORMANCE MANAGEMENT						
DISPUTES						
Area	Ref.	Background	CONTRACT NUMBER	NATURE	STATUS	OUTCOME
13	SCM Reg 50	Resolution of SCM related disputes.			None	There were no SCM disputes for this quarter
ACTIVE CONTRACTS						
Area	Ref.	Background	DESCRIPTION	AMOUNT	DURATION	EXPIRY DATE
14	MFMA Sec 116	Contract management.	See attached register			
CONTRACT VARIATIONS						
Area	Ref.	Background	DESCRIPTION	AMOUNT	REASONS	PERCENTAGE
15	MFMA Circular 62	Expansion or variation of orders against the original contract restricted to: - not more than 20% for construction related goods, services and/or infrastructure projects; - 15% for all other goods and/or services of the original value of the contract?				
LOGISTICS MANAGEMENT						
Area	Ref.	Background	APPROVED LOGISTICS MANAGEMENT PROCEDURES IN PLACE (Y/N)	IF NOT REASONS THEREOF		COMMENTS
16	MFMA Reg 39	Are there documented and approved SCM procedures for stores and warehouse management including: - the setting of inventory levels, - placing of orders, - receiving and distribution of goods, - expediting orders?	YES	There is no documented and approved SCM procedure for stores and warehouse, however the re-order level of the stock is done by the end user as they are the one who knows what to be ordered as per their departmental needs.		
UNAUTHORISED, IRREGULAR & FRUITLESS EXPENDITURE						



Area	Ref.	Background	DESCRIPTION	AMOUNT	BENEFICIARY/ SUPPLIER	TYPE OF PROHIBITED EXPENDITURE
17	MHA Sec. 3	A register of unauthorised, irregular, fruitless and wasteful expenditure must be maintained for all transactions falling within the UIF category.	See attached registers			

**ADDITIONAL MATTERS:**