



Ref: 4/11/1

10 April 2016

The Mayor
Mohokare Local Municipality
Mrs. AM Shasha

Dear Madam

RE: ACKNOWLEDGEMENT OF RECEIPT

I ANES MABORO SHASHA 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

- 1. Quarter 3: Supply Chain Implementation Report



Signature

10/04/16

Date

Mayor

Designation

Issued by:	Management Representative		Document Name:	Corrective and Preventative Action Request
Approved by:	Municipal Manager		Document Number:	CSESADM010
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Review date:	1 June 2018		Copy:	Controlled Copy



SUPPLY CHAIN MANAGEMENT POLICY IMPLEMENTATION REPORT

District:

Xhariep

Name of Municipality:

Mohale's

Name of Municipal Entity/ Entities:

Reporting Date:

10 April 2016

Contact information

Name of Chief Financial Officer:

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Name of Accounting Officer:

Mr T.C Panyani

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SUPPLY CHAIN MANAGEMENT POLICY IMPLEMENTATION REPORT

ACCOUNTING OFFICER'S LETTER


for the quarter ended
31 March 2016

THE MAYOR

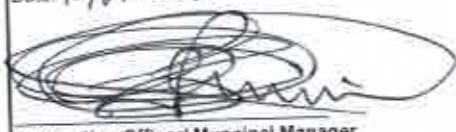
The attached report is submitted in line with Section 6 of Supply Chain Regulations which states that the Accounting Officer of the Municipality must within 10 days of the end of each quarter, submit a report on the implementation of SCM policy to the Mayor.

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: 10/04/2016


Accounting Officer/ Municipal Manager

Date: 16/04/2016

SUPPLY CHAIN MANAGEMENT

District:	Xhariep	Municipality:	Mophoane	Reporting Date:	10 April 2016
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ESTABLISHMENT OF SCM					
Area	Ref.	STRUCTURE	FILLED	VACANT	COMMENTS
1	SCM Reg 7	Background Is there a dedicated and functional supply chain management (SCM) unit?	Yes	2	1 There are two permanent employees and three interns in the unit.
Area	Ref.	REVIEWED (YES/NO)	DATE OF REVIEW	IF NOT REVIEWED, REASONS THEREOF	COMMENTS
2	SCM Reg 3	Background Reviewed and approved SCM Policy in line with National Treasury's Model Policy.	Yes	28-May-16	Reviewed

DEMAND MANAGEMENT					
Area	Ref.	IS THERE AN APPROVED PROCUREMENT PLAN IN PLACE (Y/N)	DATE OF APPROVAL	IF NOT, REASONS THEREOF	COMMENTS
3	Circular 62	Background 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	26-Aug-16	N/A

ACQUISITION MANAGEMENT					
Area	Ref.	LAST REVIEW DATE	NEXT REVIEW DATE	NUMBER OF REGISTERED SUPPLIERS	COMMENTS
4	SCM Reg14	Background Functional list of accredited prospective providers of goods and services maintained and used for verbal quotations and formal written price quotations.	Daily		Suppliers/service providers are registered and updated on daily basis. When Database applications are submitted, they are checked and registered if fully compliant.

BID COMMITTEES

Area	Ref.	Background	BID COMMITTEE IN PLACE (Y/N)	NAMES OF MEMBERS	DESIGNATIONS	COMMENTS
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"> 1. Sonjezo Petela (before resigning) 2. P. Buyeye (After Mr. Petela resignation) 3. Pule Lesonyaho 4. Ria Van Pletzen 5. Shumbuzo Shumase 	<ol style="list-style-type: none"> 1. PMU Manager-Chairperson 2. LED Manager-Chairperson 3. Demitid & Acquisition Officer-Admin Manager 4. Admin Manager-Member 5. Acting PMU Manager-Member 	
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"> 1. Sindiho Majenge 2. Lesibo Sebatahe 3. Shumbuzo Shumase (before the resignation of Mr. Petela) 4. Victoria Ramotsoabi 5. T.E. Fobane (as from 12 Dec 2015) 6. J. Dymolal (from 19 Feb 2016) 7. M.B. Rabukofas (from 19 Feb 2016) 	<ol style="list-style-type: none"> 1. IDP Manager-Chairperson 2. SCM Accountant-Member 3. PMU Technician-Member 4. HR Manager-Member 5. Manager: water & Sanitation-Member 6. Water Quality Sampler-Member 7. Electrical Technician-Member 	Mr. S. Shumase served in the Bid Evaluation Committee before Mr. S. Petela resigned. After the resignation of Mr. S. Petela, Mr. S. Shumase was moved to Bid Specification Committee.
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"> 1. Phakathisa Dyotsoza 2. Linnakiso Ngoko 3. Mahlomola Tsapomole 4. Danie Muralis 5. Micalosi Loupi 	<ol style="list-style-type: none"> 1. C.F.D-Chairperson 2. Corporate Services Director-Member 3. Technical Director-Member 4. Community Services Director-Member 5. Committee Officer-Scriber 	
CIDB						
Area	Ref.	Background	REGISTRATION WITH CIDB'S TENDER (Y/N)	PROJECTS REGISTERED	IF NOT, REASONS THEREOF	COMMENTS
8	CIDB Regulations Regulation 18(1) & 18(1A)	Registration of construction works contracts above R200 000 in the CIDB register of projects.	Yes		No appointments were done for construction works during this period/quarter	
REGULATION 32 CONTRACTS						
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 procurement of goods and services were done that are under a contract secured by organ of state
DEVIATIONS FROM PROCUREMENT PROCESSES							
Area	Ref.	Background	DESCRIPTION	AMOUNT	UPLOADING ON THE WEBSITE (Y/N)	COMMENTS	
10	MFMA Reg 36	Deviations from the procurement processes approved by the accounting officer.	<ol style="list-style-type: none"> 1. Water bacteriology analysis 2. 90 ltr 6.75lpa soft starter 3. Water bacteriology analysis 4. Re-sampling: water bacteriology analysis 5. Water Bacteriology analysis 6. 78-55016-1-GRV (6') VAC prime 7. Pest control: Rouenville 8. Accommodation 	<p>1. R 4 954.99</p> <p>2. R 85 607.47</p> <p>3. R 8 855.20</p> <p>4. R 2 100.24</p> <p>5. R 18 500.52</p> <p>6. R 1 035.14</p> <p>7. R 800.00</p> <p>8. R 15 003.96</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p>	<p>No</p>	
11	MFMA Reg 37	Background	DESCRIPTION	AMOUNT	REASONS	PUBLIC PARTICIPATION (Y/N)	
		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?					
					there was no unsolicited bid (s) considered during this period /quarter		
DISPOSAL MANAGEMENT							
Area	Ref.	Background	ASSET(S) DISPOSED	DISPOSAL METHOD	COST PRICE	BENEFICIARY	
12	MFMA Reg 40	Assets disposal.					
CONTRACT AND PERFORMANCE MANAGEMENT							
DISPUTES							

Area	Ref.	Background	CONTRACT NUMBER	NATURE	STATUS	OUTCOME
13	SCM Reg 50	Resolution of SCM related disputes.				
ACTIVE CONTRACTS						
Area	Ref.	Background	DESCRIPTION	AMOUNT	DURATION	EXPIRY DATE
14	MFMA Sec. 116	Contract management.	see attached contract 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 warehouses, 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	MFMA Sec. 1	A register of unauthorised, irregular, fruitless and wasteful expenditure must be maintained for all transactions falling within the LUF category.	see attached unauthorised, irregular, fruitless and wasteful expenditure register.			

ADDITIONAL MATTERS:

