

ITEM BUDGET AND TREASURY OFFICE *Author: Chief Financial Officer*

SUPPLY CHAIN MANAGEMENT REPORT FOR THE 2ND QUARTER (1 October 2020 – 31 December 2020)

PURPOSE

To report progress on the implementation of Supply Chain Management, report procurements approved by the accounting officer in terms of council's Supply Chain Management policy with regard to deviations and transactions above R100 000.00 as required by Municipal Finance Management Act.

BACKGROUND

Section 74(1) and 104 (10(b) of the Municipal Finance Management Act (MFMA) prescribes the following regarding general reporting obligations: "The Accounting Officer of a municipality [and municipal entity] must submit to the National Treasury, the Provincial Treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required". Regulation 36(2) of the Supply Chain Management Regulation and Circular 34 of the MFMA gives the accounting officer the responsibility to record and report all deviations and procurement above R100 000.

The Supply Chain Management Policy was adopted by Council with the aim to increase participation of business from previously disadvantaged groups and locally based businesses in the procurement and disposal of goods and or obtaining of services, as part of Government's plan for economic growth and development. The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business.

DISCUSSION

- Table A1 provides summary of procurement activities.
- Table A2 provides details of procurements between R2000 and R30 000 (VTSD)

Spending).

- Table A3 provides the details of Procurement Processes in Response to the Covid-19- State of Nation Disaster
- Table A4 provides the details on deviations
- Table A5 provides the details on contract register
- Table A5 provides a summary of procurements between R30 000.00 and R100 000.00
- Table A5 provides a summary of procurements above R100 000.00
- Table A6 provides a summary of procurements on awards evaluated on the PPPFA (80/20)

DISCUSSION

Table A1 Summary of procurement activities

	NUMBER	AMOUNT
90/10	None	0
80/20	3	R 2 884 857.56
Variations	None	0
SCM Regulation 32	None	0
Deviations	9	R 360 653.32
Quotations between R30K – R200k	1	R 120 750.00
Covid-19 National Disaster	20	R 491 949.55
Quotations between R30K – R200k Advertised	6	
Tenders advertised	4	
Tenders awarded	2	R 2 764 107.56
Tenders cancelled	None	
Tenders referred back	3	

Procurement between R2000 and R30 000 (VTSD Spending) from period (01/10/2020 – 31/12/2020)

The total transaction value of procurement made from the local service provider within Dr KK DM's area of jurisdiction amount to R 1 426 091.03

Refer to Table A2 below

Table A2 Procurement between R2000 and R30 000 (VTSD Spending)

Locality	Monthly Amount
VTSD Spending	R 1 426 091.03
Other	-
Total	R 1 426 091.03

Table A3

Following is the Procurement Processes in Response to the Covid-19 State of Nation Disaster from period 01/10/2020 – 31/12/2020 amount to R 491 949.55

NO	SUPPLIER NAME	ITEM PROCURED	ORDER NUMBER	ORDER DATE	VOTE USED	PROCUREMENT PROCESS	AMOUNT
1	Batlokwe-Communication (Pty)	Funeral undertakers workshop Tlokwe 1. surgical mask 3ply packs (25 @ R 700.00) 2. surgical gloves 30 boxes (30 @ R 150.90) 3. anti- bacterial liquid hand soap 250ml (40@ R 45.00) 4. hand sanitizer liquid 330ml (40 @ R 55.00)	0001003127	2020/10/13	39052300140FLP 43ZZWD	3 Quotes Process	R 29 931.05
2	Mpumi Ntsikelelo Trading (Pty) Ltd	Supply and delivery of health and hygiene products for awareness programme Matlosana 1. ammonium liquid 5L (4 @ R 430.00) 2. brooms (6 @ R 88.00) 3. cloth mask with Dr KKDM logo (150 @ R 58.00) 4. domestos 750ml (12 @	0001003129	2020/10/13	39052300140FLP 43ZZWD	3 Quotes Process	R 25 818.00

		<p>R 40.00)</p> <p>5. liquid hand soap 5L (6 @ R 370.00)</p> <p>6. mops (6 @ R 75.00)</p> <p>7. hand sanitizer 70% alcohol 5l (6 @ R 500.00)</p> <p>8. hand sanitizer stand with bottles (4 @ R 2 180.00)</p>					
3	Fhunafhuna Construction (Pty) Ltd	<p>Supply and delivery for food awareness celebration</p> <p>1. aprons with Dr KKDM logo (4 @ R 250.00)</p> <p>2. handy Andy 5l (2 @ R 250.00)</p> <p>3. broom (2 @ R 85.00)</p> <p>4. face cloth mask with Dr KKDM logo (50 @ R 65.00)</p> <p>5. domestos (4 @ R 45.00)</p> <p>6. first aid kit box stainless steel (1 @ R 1 250.00)</p> <p>7. liquid hand soap 5l (2 @ R 390.00)</p> <p>8. mutton cloths roll (2 @ R 55.00)</p> <p>9. mop (2 @ R 65.00)</p> <p>10. hairnets 4 boxes of pack of 100 (4 @ R 150.00)</p> <p>11. washable paint cream 5l</p>	0001003130	2020/10/13	39052300140FLP 43ZZWD	3 Quotes Process	R 10 960.00

		<p>(2 @ R 450.00)</p> <p>12. sanitizer 70% alcohol 5l (2 @ R 500.00)</p> <p>13. kitchen swabs 1 x 10 in a packet (1 @ R 90.00)</p> <p>14. Sanitizer wet wipes (2 @ R 500.00)</p>					
4	Kasimovement Project And C6onstruction	<p>Key holder for be Covid 19 smart' wear your mask, keep social distance key holders branded with district and disaster logo</p> <p>1. Key holders (350 @ R 22.00)</p>	0001003131	2020/10/26	39052300140FLP 23ZZWD	3 Quotes Process	R 7 700.00
5	Itshegetseng Trading Cc	<p>Health and hygiene awareness campaign</p> <p>1. bath soap (200 @ R 12.00)</p> <p>2. face cloth masks (200 @ R 25.00)</p> <p>3. pamphlets A4 on health and hygiene (100 @ R 16.00)</p> <p>4. hand sanitizer (100 @ R 13.00)</p> <p>5. sanitary pads packet of 10 (100 @ R 26.00)</p> <p>6. body spray (men and women) (100 @ R 22.00)</p> <p>7. toilet paper 48's (2 @ R 280.00)</p>	0001003140	2020/10/16	39052300140FLP 43ZZWD	3 Quotes Process	R 19 760.00

		8. toothbrushes (100 @ R 24.00) 9. Toothpaste (100 @ R 17.00)					
6	Rgi Trading (Pty) Ltd	Health and hygiene awareness campaign 1. Fridge magnets with covid-19 massage (300 @ R 30.00) 2. anti-bacterial hand wash soap 20l (4 @ R 600.00) 3. 3 ply cloth mask (300 @ R 25.00)	0001003143	2020/10/12	39052300140FLP43ZZWD	3 Quotes Process	R 18 900.00
7	Conquest Chemicals	spray bottles for delegates of district communicators lekgotla 1. Spray bottles for sanitizer 100ml (100 @ R 18.00)	0001003170	2020/10/22	32052323600FLMRCZZWD	3 Quotes Process	R 1 800.00
8	Longtronics Trading And Projects	Supply and delivery for food safety and compliance workshop for NSNP practitioners 1. heavy duty refuse bags black (600 @ R 5.00) 2. aprons and hair covers with a cotton white (50 @ R 160.00) 3. fridge magnets (50 @ R 95.00) 4. gloves (150 @ R 10.00) 5. liquid hand soap 250ml (100 @ R 60.00) 6. nails brushes (50 @ R	0001003178	2020/10/29	39052323600FLMRCZZWD	3 Quotes Process	R 27 750.00

		90.00)					
9	Ke Tiro Trading And Projects	Ruler 30cm plastic for be Covid 19 smart wear your mask and keep social distancing rulers branded with Dr KKDM logo and Disaster Risk Management logo 1. ruler 30cm (800 @ R 13.00)	0001003184	2020/10/26	39052300140FLP 23ZZWD	3 Quotes Process	R 10 400.00
10	November Holdings Pty Ltd	Supply and delivery for world food day awareness celebration 1. 100% aprons cotton with Dr KKDM logo (20 @ R 230.00) 2. hair nets pack of 100 (4 boxes @ R 95.00) 3. cloth face mask (25 @ R 30.00) 4. handy Andy 5l (8 @ R 200.00) 5. domestos 750ml (48 @ R 46.00) 6. 5L antibacterial liquid soap (4 @ R 260.00) 7. 5L wet sanitizing wipes (8 @ R 500.00)	0001003185	2020/10/26	39052300140FLP 43ZZWD	3 Quotes Process	R 14 578.00
11	Gifios And Popla Trading Enterprise (Pty) Ltd	Procurement of sanitizer empty spray bottles for the executive mayor's campaign on the KPI moral regeneration 1. sanitizer empty bottles 100ml (3000 @ R 18.50)	0001003126	2020/10/07	31052300120FLP 66ZZWD	Procurement done through Regulation 36 1 (a) (i), in an emergency – procurement due to the outbreak of corona virus and	R 55 500.00

						potential risk of infection, municipalities were required to institute precautionary measures of preventing and curbing the spread of the virus and (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes. Advertisement for invitation of (7 days) was not made.	
12	Thsepana (Pty) Ltd	Pens for awareness campaign: be smart wear mask and keep social distancing 1. Pens (800 @ R 10.00)	0001003188	2020/11/19	39052300140FLP 23ZZWD	3 Quotes Process	R 8 000.00
13	The Kwakwanta Trading Enterprise	Boskuil dry sanitation project EPWP 1. Safety shoes black (30 @ R 630.00) 2. orange cloth mask (60 @ R 50.00) 3. cotton knitted glove (60 @ R 35.00)	0001003202	2020/11/05	3605259941ORL P47ZZWD	3 Quotes Process	R 24 000.00
14	Conquest	Hand sanitizer mist spray for	0001003208	2020/11/05	39052300140FLP	3 Quotes Process	R 1 625.00

	Chemicals	awareness campaign 1. Hand sanitizer mist spray 250ml (50 @ R 32.50)			43ZZWD		
15	Bokatshwa Holdings (Pty) Ltd	Supply and delivery for CBP'S 1. hand liquid sanitizer 20l (4 @ R 1 700.00) 2. branded empty bottles 100ml (200 @ R 21.00) 3. 3 ply medical mask (300 @ R 45.00)	0001003221	2020/11/25	31102306100FLP 13ZZWD	3 Quotes Process	R 24 500.00
16	Bojaro Trading And Projects	Corporate Services supplies 1. Disposable surgical mask (10 per pack) (6000 @ R 6.50) 2. 100ml spray bottles-empty (30 @ R 20.00) 3. 1000ml (1 litre) spray bottle-empty (30 @ R 45.00)	0001003280	2020/12/03	33052323600FL Q47ZZWD	3 Quotes Process	R 14 950.00
17	Ellaton Mining Supplies Sign	Supply and delivery for awareness campaign-Saras 1. black reusable face masks 3ply knitted (60 @ R 30.00) 2. hand sanitizer 250ml 70% alcohol spray bottle (30 @ R 55.00) 3. water bottle 750ml (60 @ R 68.00)	0001003283	2020/12/04	39052300140FLP 24ZZWD	3 Quotes Process	R 7 530.00
18	Aganang Community Radio Station	Radio broadcast 3 radio advert per day- Christmas message by executive mayor radio broadcast	0001003334	2020/12/20	32052301130FL MRCZZWD	SCM policy not deemed as deviation	R 65 000.00

		3 radio adverts per day and interviews by the executive mayor covid-19 awareness				(m) Newspaper advertisement and radio station interviews and announcements	
19	Star Fm	Radio broadcast for Christmas message and new year and covid-19 radio interviews by the executive mayor	0001003335	2020/12/20	32052301130FL MRCZZWD	SCM policy not deemed as deviation (m) Newspaper advertisement and radio station interviews and announcements	R 62 700.00
20	Central Media Group (Pty) Ltd	Radio broadcast0-advert for the executive mayor Christmas and new year's message on o-fm covid-19 radio interviews by the executive mayor	0001003336	2020/12/20	32052301130FL MRCZZWD	SCM policy not deemed as deviation (m) Newspaper advertisement and radio station interviews and announcements	R 60 547.50
Grand Total							R 491 949.55

DEVIATIONS

Table A4 Below provides list of transactions procured through Regulation 36 of the SCM Regulation (Deviations) from period 01/10/2020 – 31/12/2020

Due to the outbreak of COVID-19 pandemic and the restriction that we introduced in to contain the spread of the virus; it was impractical to follow the normal SCM process. The Budget and Treasury Office has recommended to procure through regulation 36 (v) of the Supply Chain Management regulations due to the COVID-19 environment whereby it was impractical to follow the normal SCM processes as outlined in SCM regulations and Dr KKDM SCM policy. It must also be noted that Supply Chain Management Regulation 16 & 17 were considered by inviting various service providers in order to ensure fairness and competitiveness in the process.

The following deviations are reported from period 01/10/2020 – 31/12/2020

NO	COMPANY	DESCRIPTION	Locality %	SCM Reg. 36	AMOUNT
1	Gifios And Popla Trading Enterprise (Pty) Ltd	Procurement of Sanitizer Empty Spray Bottles for the executive mayor's Campaign on the KPI Moral Regeneration 1.Sanitizer empty Bottles 100ml 3000 @ R 18.50	100%	Procurement done through Regulation 36 1 (a) (i), in an emergency – procurement due to the outbreak of corona virus and potential risk of infection, municipalities were required to institute precautionary measures of preventing and curbing the spread of the virus and (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes.	R 55 500.00
2	Wolters Kluwer	Internal audit unit utilizes teammate Audit Software and Wolters Kluwer are the owner and single provider of the software	-	Procurement done through Regulation. 36 1 (a) (ii) If such goods or services are produced or available from single provider only. Wolters Kluwer is the only supplier for the service rendered.	R 109 249.62
3	Hasler	Replacement of ink cartridge for the Franking Machine	-	Procurement done through Regulation. 36 1 (a) (ii) Hasler is the sole provider of the franking machine's ink cartridges. The contract between the municipality and Hasler has since lapsed, the franking machine is still in good condition and Corporate Support Services is till using the machine.	R 3 887.00
4	South African Broadcasting	Subscription fees for TV Licenses Annually	-	Procurement done through Regulation.	R 9 010.00

	Corporation			36 1 (a) (ii) If such goods or services are produced or available from single provider only.South African Broadcasting Corporation is the only supplier for the service rendered.	
5	Multi-Choice (DSTV)	Subscription fees for DSTV, Annually	-	Procurement done through Regulation. 36 1 (a) (ii) If such goods or services are produced or available from single provider only.Multichoice (DSTV) is the only supplier for the service rendered.	R 19 427.87
6	Ducharme Consulting	The License fee includes Web Management Portal, Movable Verification (unlimited devices) and set-up costs. The license is valid for period 12 months from 1 July 2019-30 June 2020	-	Procurement done through Regulation. 36 1 (a) (ii) Ducharme Consulting is the sole provider of the Moveble Verification. Ducharme Consulting contract with the Dr Kenneth Kaunda District has since lapsed, the License fee for the service rendered is still Valid until 30 June 2020.	R 31 625.00
7	Envirocare Laboratory	Water samples analysis	100	Procurement done through Regulation. 36 1 (a) (ii) If such goods or services are produced or available from single provider only. The are only two Laboratory in the The Dr Kenneth Kaunda District Municipality jurisdiction and the water sample has limited duration to be moved to the laboratory for testing.	R 6 598.70
8	Envirocare Laboratory	Water samples analysis	100	Procurement done through Regulation. 36 1 (a) (ii) If such goods or services are produced or available from single provider only. The are only two	R 22 556.10

				Laboratory in the The Dr Kenneth Kaunda District Municipality jurisdiction and the water sample has limited duration to be moved to the laboratory for testing.	
9	Iveco Truck & BUS	The Fire and Rescue Services Truck got a Mechanical Breakdown during the month of October 2020 while the Firefighters were Performing their duties. It was towed to a workshop for assessment of what caused the breakdown. Parts requiring replacement, towing charges as well as the cost of repairing the engine of this truck	100	Procurement done through Regulation 36 1 (a) (i), in an emergency The Fire and Rescue services only have two vehicles and the vehicle had to be prepared on the emergency basis in case of accidents and fire.	R 102 799.03
Grand Total					R 360 653.32

**CONTRACTED SERVICES FOR DR. KENNETH KAUNDA DISTRICT MUNICIPALITY
2020/2021**

CONTRACT REGISTER – 2020/2021

The municipality has entered into contracts which imposed financial obligations on the municipality beyond a financial year i.e. 12 months, most of these contracts are long termed contract, meaning that the duration period exceeds 12 months. Below a list of all contracted services for the Dr. Kenneth Kaunda District Municipality. Refer to **Table A5 below**

NO.	Contractor Name	Commence Date	Expiry Date	Services	Monthly Payment	Status	Responsible dept/official	Comments
1	Matlosana City Council	01-02-2002	Until notice	Building Rental	R 57 932.40	Current	Corporate Serv	Current
2	Business Connexion	01-07-2018	30-06-2021	Software – Venus (Solar System)	R 32 913.00	Current	Finance	Current
3	Old Mutual Property / Columbia Falls Properties 80 (PTY) Ltd	01-07-2020	30-06-2021	Building Rental	R 175 375.52	Current	Corporate Serv	Current
4	Samsung	13-05-2018	Month to Month	Telephone System	Charged as per minute usage (R 48 142.32)	Only payment for VOIP Lines	Corporate Serv	Month to Month
5	Blaq.M Holdings (PTY) LTD	01-10-2018	30-09-2021	Insurance	R 548 900.00 once-off payment 1 st year)	Current	Finance	Current
6	Multi Choice	29-10-2020	28-10-2021	DSTV	R 19 427.87 1year subscription	Subscription to be renewed	EM'S Office MM Office SPEAKER'S Office	Subscription to be renewed
7	JB Marks	01-01-2018	Until Notice	Tlokwe EHS, Rental of Office Space (EHS)	Monthly Amount: R 1000	Current	Health	Current
8	Kgomo Africa Investment	15-05-2018	14-05-2021	Development of a Dolomite	R6 994 128.00 Full contract	Current	Disaster	Current

	Holdings (PTY) Ltd			Risk Management Strategy Framework for Dr KKDM for 3 Years	amount			
9	Nalko Engineering	23-09-2019	22-09-2022	Road Asset Management System (RAMS)	R 5 669.50 Per Rate	Current	Infra	Current
10	Pono Security Service	01-10-2019	30-09-2022	Security Service	R 251 651.70 (monthly)	Current	Corporate	Current MFMA section 114
11	Indlela Data (Pty) Ltd	28-10-2019	27-10-2022	Photo Copiers	R 3 701 078.43 Full contract amount	Current	Corporate	Current
12	Dash Host (Pty) Ltd	06-03-2020	05-03-2023	Computer Hardware and software as and when required	R 108 749.70 Average Unit Cost	Current	Finance	Current
13	Ntiyiso Consulting (Pty) Ltd	12-11-2020	11-02-2021	Proposals are invited from suitably qualified consulting companies for the review of the district led strategy 2019	R 563 500.63	Current	Led & Planning	Current
14	Botlhabatsatsi Trading and Projects 71 CC	12-11-2020	11-02-2021	Building renovations for Dr Kenneth	R 2 200 606.93	Current	Led & Planning	Current

				Kaunda District Municipality offices at the Disaster Risk Management Centre, Klerksdorp				
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Table A6 provides a summary of procurements on awards evaluated on the PPPFA (80/20) from period 01/10/2020 to 31/12/2020

Tenders

No.	Description 01/10/2020 – 31/12/2020	Company	Local %	BBBE level status contributor	Wome n Equity %	Amount	Any Deviation		If Deviation-Reason Provide
							Y	N	
1	TENDER: KKDM 10/19 (RE-ADVERT) Proposals are invited from suitably qualified consulting companies for the review of the District LED strategy 2019	Ntiyiso Consulting (Pty) Ltd	-	Level 1		R 563 500.63	N		
2	TENDER: KKDM 01/20 Building Renovations for Dr Kenneth Kaunda District Municipality Offices at The Disaster Risk Management Centre, Klerksdorp	Botlhabatsats i Trading and Projects 71 CC	100%	Level 1		R 2 200 606.93	N		
3	QUOTATION: KKDM 2021-01 Removal of existing skit supply, delivery and installation of new firefighting equipment- 600l ultra high pressure skit unit Dr KKDM Maquassi Hills Fire and Rescue Services	Krurekpro CC	100%	Level 1		R 120 750.00	N		
						R 2 884 857.56			

