

BUDGET AND TREASURY OFFICE
SUPPLY CHAIN MANAGEMENT REPORT FOR THE 2nd Quarter
(1 October 2021 – 31 December 2021)

7/1/12

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 A6 provides a summary of procurements between R30 000.00 and R100 000.00
- Table A6 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	
80/20 (Table A6)	12	R 4 105 262.00
Variations	None	
SCM Regulation 32	None	
Deviations (Table A4)	2	R 163 887.01
Quotations between R30K – R200k awarded (Table A6)	11	R1 188 500.00

Covid-19 National Disaster (Table A3)	11	R 182 656.00
Quotations between R30K – R200k Advertised	12	
Tenders advertised	3	
Tenders awarded (Table A6)	1	R 2 916 762.00
Tenders cancelled	None	
Tenders referred back	None	

Procurement between R2000 and R30 000 (VTSD Spending) from period (01/10/2021 – 31/12/2021)

The total transaction value of procurement made from the local service provider within Dr KK DM's area of jurisdiction amount to R 1 632 213.37

Refer to Table A2 below

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

Locality	Monthly Amount
October VTSD Spending	R 615 359.75
November VTSD Spending	R 583 705.82
December VTSD Spending	R 433 147.80
Other	-
Total	R 1 632 213.37

Table A3

Following is the Procurement Processes in Response to the Covid-19 State of Nation Disaster from period 01/10/2021 – 31/12/2021 amount to R 182 656.00.

NO	SUPPLIER NAME	ITEM PROCURED	ORDER NUMBER	ORDER DATE	VOTE USED	PROCUREMENT PROCESS	AMOUNT
1	Phahla Mphakomo (Pty) Ltd	Meat Safety and Compliance Campaign, World Health Day 1. Hand soap 500ml 60 @ R 110.00 2. Cloth Mask 3ply 110 @ R 27.00 3. Hand Sanitizer 125ml 50 @35.00	0001004053	2021/10/12	39052300140FLP43ZZWD	3 Quote Process	R 11 320.00
2	Morning Time Trading 120 CC	Resources for educational awareness campaign 1. Cloth Mask 200 @ R 27.00 2. Hand sanitizer 125ml 200 @ R35.00	0001004114	2021/11/05	39052300140FLP43ZZWD	3 Quote Process	R12 400.00
3	Qalobucha Trading and Project	Sanitary liquid for EPWP workers 1. Sanitizers 1L 200 @ R147.60	0001004134	2021/11/19	36052599410FLP47ZZWD	3 Quote Process	R29 520.00
4	Countrybugs (Pty) Ltd	Procurement of surgical masks for EPWP workers 1. Surgical Masks 4500	0001004135	2021/11/19	36052599410FLP47ZZWD	3 Quote Process	R29 700.00

		@ R 6.60					
5	Majosphie Trading and Project	Resources for Global Handwashing Awareness 15 October 2021 and 29 October 2021 1. Hand Soap 500ml 250 @ R60.00 2. Cloth Mask 200 @ 27.00 3. Hand Sanitizer 50 @ 37.00	0001004160	2021/12/02	39052300140FLP43ZZWD	3 Quote Process	R 22 250.00
6	Rina Lesego Trading	Resources for Health and Hygiene Awareness Campaign on the 10/11/2021 and 23/11/2021 1. Hand Soap 100ml 40 @ R35.00 2. Hand Soap 500ml 40 @ R 60.00 3. Hand Soap 5l 5 @ R120.00 4. Cloth Mask 140 @ R27.00 5. Hand Sanitizer 5l 5 @ R270.00 6. Gloves 100 Packed 5 @ R220.00	0001004182	2021/12/02	39052300140FLP43ZZWD	3 Quote Process	R 10 630.00
7	K M L L Family Pty Ltd	Resources for Health and Hygiene Awareness Campaign at Day Care Center Klerksdorp 1. Hand Soap 5l 16 @	0001004183	2021/12/02	39052300140FLP43ZZWD	3 Quote Process	R 6 400.00

		R130.00 2. Hand Sanitizer 5l 16 @ R270.00					
8	Asset Brand	Resources for Food and Safety Awareness Campaign on the 22-26 November 2021 1. Cloth Mask 66 @ R27.00 2. A3 Posters Covid 19 60 @ R130.00 3. Hand Sanitizer 5l 6 @ R290.00	0001004184	2021/12/13	39052300120FLP43ZZWD	3 Quote Process	R 9 582.00
9	Sichulumancile Trading (Pty) Ltd	Resources for Food and Safety Awareness Campaign 1. Hand Soap 500ml 200 @ R60.00 2. Cloth Mask 200 @ R27.00 3. Hand Sanitizer 100ml 200 @R35.00	0001004214	2021/12/02	39052300140FLP43ZZWD	3 Quote Process	R 24 400.00
10	Shepard Workers Trading Pty Ltd	Resources for Health and Hygiene Awareness Campaign on the 24 November 2021 1. Hand Soap 5l 3 @ R135.00 2. Cloth Mask 617 @ R27.00 3. Hand Sanitizer 5l 3	0001004218	2021/12/02	39052300140FLP43ZZWD	3 Quote Process	R 17 904.00

		@ R240.00					
11	Monsortium (Pty Ltd)	Procurement for Promotional Material for Community Services 1. Cloth Mask 100 @ R27.00 2. Corona Virus Posters A1 (Laminated) 10 @ R235.00 3. Hand Sanitizer 100ml 100 @ R35.00	0001004233	2021/12/15	39052300120FLP43ZZWD	3 Quote Process	R 8 550.00
						Grand Total	R 182 656.00

DEVIATIONS

Table A4 Below provides list of transactions procured through Regulation 36 of the SCM Regulation (Deviations) from period 01/10/2021 – 31/12/2021 amount to R 163 887.01.

NO	COMPANY	DESCRIPTION	Locality %	SCM Reg. 36	AMOUNT
1	KM Detroy Business Enterprise	Deviation- Emergency cleaning at Disaster Manament Centre after the Hailstorm on the 25 November 2021	100%	The Procurement was done through Regulation. 36 1 (a) (i) In an emergency- on the 25 November 2021 the Disaster Management Centre was affected by the Hailstorm. The whole area was covered with water and hailstorm that caused non movement of vehicles and services at the (DRMC). All the people who were inside the (DRMC) were trapped for several hours until such time that the water has subsided before the vehicle can be moved . KM Detroy Business Enterprise services were utilised to clear the hailstorm and repair the damaged storm water drainage system and further construct new channels to allow easy flow of water caused by the hailstorm.	R 160 000.01
2	Hasler Business Systems (Pty)	Replacement of ink cartridge for the Franking Machine	-	The Procurement was 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 still using the machine.	R 3 887.00
Grand Total					R 163 887.01

**CONTRACTED SERVICES FOR DR. KENNETH KAUNDA DISTRICT MUNICIPALITY
2021/2022**

CONTRACT REGISTER – 2021/2022

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 61 408.34	Current	Corporate Services	Current
2	Business Connexion	01-07-2021	Month to Month	Software – Venus (SOLAR SYSTEM)	R 35 546.04	Current	Finance	Current
3	Old Mutual Property / Columbia Falls Properties 80 (PTY) Ltd	01-07-2021	30-07-2022	Building Rental	R 175 375.52	Current	Corporate Services	Current
4	Samsung	13-05-2018	Month to Month	Telephone System	Charged as per minute usage (R48 142.32)	Only payment for VOIP Lines	Corporate Services	Month to Month
5	Blaq.M Holdings (PTY) LTD	01-10-2018	30-11-2021	Insurance	R 390 220.53	Contract Ended	Finance	Contract Extended with two month while the process was unfolding
6	JB Marks	01-01-2018	Until Notice	Tlokwe EHS, Rental of Office Space (EHS)	Monthly Amount: R 1 200.00	Current	Community Services	Current
7	Maxim Planning Solutions (PTY) LTD	01-11-2018	31-12-2021	Review & Alignment of Dr KKDM Spatial Development	R550 000.00 (Dr KKDM) R552000.00 (JB Mark)	Contract Ended	LED & Planning	Contract Variation/Extension (MFMA Sec. 116 (3))

				Framework 2018	R249550.00 (Matlosana) Full Contract Amount			(a) & (b)
8	Nalko Engineering	23-09-2019	30-06-2022	Road Asset Management System (RAMS)	R 5 669.50 Per Rate	Current	LED & Planning	Current
9	Pono Security Service	01-10-2019	30-09-2022	Security Service	R 447 152.20 (monthly)	Current	Corporate Services	Current MFMA section 114
10	Indlela Data (Pty) Ltd	28-10-2019	27-10-2022	Photo Copiers	R 3 701 078.43 Full contract amount	Current	Corporate Services	Current
11	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
12	Cholaw Consulting (Pty) Ltd	18-03-2021	Current	Invitation from Suitably Qualified Professionals to Develop a Proposal for a District Housing Sector Plan and the Accreditation Business Plan for the Dr Kenneth Kaunda District Municipality	R 782 608.00 Full contract amount	Current	LED & Planning	Current

13	Go Big Media (Pty) Ltd	15-06-2021	14-06-2024	Tender for the Design and Placing of Municipal Messages within the Dr Kenneth Kaunda District Local Municipalities on Street Pole Ads and Billboards for a period of three (3) years	R 4 271 211.85 Full contract amount	Current	Communications	Current
14	1. TNT Consulting (Pty) Ltd 2. Maine Management & Chartered Accountants 3. Minatlou Consultants & Accounting Services	12-07-2021	Current	Tender for Appointment of Panel of Consultants of Financial Service Provider for Accounting Work over a period of Three (3) Years.	R 5 548.00 (Average Rate per hour)	Current	Finance	Current
15	Bubede Multi-Services T/A Lightboxnet	12-07-2021	Current	Tenders Are Invited for The Design, Supply, Delivery, Installation, Training, Management and On-Going Support of an Electronic	R2 418 000,00 Full contract amount	Current	Corporate Services	Current

				Document Management and Workflow Solution for Dr Kenneth Kaunda District Municipality for the period of three (3) years				
16	Lateral Unison Insurance Brokers	01/12/2021	30/11/2024	Tender for Appointment of a Service Provider to Manage and Provide Short Term Insurance Cover for the Assets and Liabilities of Dr. Kenneth Kaunda District Municipality for a period of 3 years	R 2 916 762.00 Full contract amount	Current	Finance	Current

Table A6 provides a summary of procurements on awards evaluated on the PPPFA (80/20) from period 01/10/2021 to 31/12/2021 amount to R 4 105 262.00

Quotes and Tenders

No.	Description 01/12/2021 – 31/12/2021	Company	Local %	BBBE level status contributor	Women Equity %	Amount	Any Deviation N or Y	If Deviation-Reason Provide
Provides a summary of procurements between R30 000.00 and R100 000.00								
1	QUOTATION KKDM 2022/12: Supply and Delivery of 100 Food Hampers to the needy	Sibahhle-Siphelele Trading	100%	Level 1	-	R 49 732.00	N	
2	QUOTATION KKDM 2022/14: Supply and Delivery of 250 Single Bed size Foam Mattresses for Disaster	Mphohle Trading Pty Ltd	100%	Level 1	-	R 86 250.00	N	
3	QUOTATION KKDM 2022/07 RE ADVERT: Supply and Delivery of 50 Sets of Building Materials (Bricks, Cement, Concrete Mix, Building Sand & Concrete Lintels for Bottom Structures at Oersonskraal Village, MHLM	Mphohle Trading Pty Ltd	100%	Level 1	-	R 42 228.00	N	

4	QUOTATION KKDM 2022/15: Supply and Delivery of 250 Double Bed size Minky Single Ply Blankets for Disaster Relief	Sibahhle-Siphelele Trading	100%	Level 1	-	R 50 000.00	N	
5	QUOTATION KKDM 2022/16: Supply and Delivery of a Laptop for Senior Accountant (AFS)	K2014146845 (South Africa)	100%	Level 1	100%	R 53 790.00	N	
6	QUOTATION KKDM 2022/20: Catering for Induction of Councilors and Facilitators of Dr Kenneth Kaunda District Municipality from 06/12/2021 until 10/12/2022	Hope Sends Trading and Projects	100%	Level 1	-	R 63 000.00	N	
Total						R 345 000.00		
Provides a summary of procurements above R100 000.00								
1	TENDER KKDM 10/21 Appointment of a Service Provider to Manage and Provide Short Term Insurance Cover for the Assets and Liabilities of Dr. Kenneth Kaunda District Municipality for a period of 3 years	Lateral Unison Insurance Brokers	-	Level 1	-	R 2 916 762.00	N	
2	QUOTATION KKDM 2022/17 Hiring of TLB's and Tipper Trucks for a Cleaning Campaign to Eradicate Illegal Dumping in JB Marks Municipality Areas	Jmmothopeng Trading Pty Ltd	100%	Level 1	-	R 170 500.00	N	

3	QUOTATION KKDM 202/18 Hiring of TLB's and Tipper Trucks for a Cleaning Campaign to Eradicate Illegal Dumping Sites in Matlosana Local Municipality Areas	Sachin Holdings Pty Ltd	100%	Level 1	-	R 187 000.00	N	
4	QUOTATION 2022/11: Supply and Delivery of an Endpoint Security Software (Anti-Virus) and Vulnerability and Patch Management Software Solution	Mphohle Trading Pty Ltd	100%	Level 1	-	R 184 000.00	N	
5	QUOTATION KKDM 2022/08 (RE-ADVERT): Requests for written Quotations from appropriate Service Providers to Update/Finalize an Integrated Waste Management Plan (IWMP) of the Dr. Kenneth Kaunda District Municipality including its 3 Local Municipality, 2021	VSL General Trading CC	100%	Level 1	-	R 187 000.00	N	
6	QUOTATION KKDM 2022/19: Request for Accredited Training Providers to Conduct In House Training for twenty (20) Employees On She Rep Functions.	Ndwamato Training Solutions	-	Level 1	100%	R 115 000.00	N	
Total						R 3 760 262.00		
Grand Total						R 4 105 262.00		

