

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

SUPPLY CHAIN MANAGEMENT REPORT FOR THE 3RD QUARTER (1 January 2021 – 31 March 2021)

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	0
80/20 (RT-57 Transversal Tender)	5	R 3 802 713.28
Variations	None	0
SCM Regulation 32	None	0
Deviations	5	R 555 103.52
Quotations between R30K – R200k	3	R 127 313.75
Covid-19 National Disaster	2	R 52 090.00
Quotations between R30K – R200k Advertised	7	
Tenders advertised	8	
Tenders awarded	1	R 782 608.00
Tenders cancelled	None	
Tenders referred back	2	

Procurement between R2000 and R30 000 (VTSD Spending) from period (01/01/2021 – 31/03/2021)

The total transaction value of procurement made from the local service provider within Dr KK DM's area of jurisdiction amount to R 993 029.10

Refer to Table A2 below

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

Locality	Monthly Amount
VTSD Spending	R 993 029.10
Other	-
Total	R 993 029.10

Table A3

Following is the Procurement Processes in Response to the Covid-19 State of Nation Disaster from period 01/01/2021 – 31/03/2021 amount to R 52 090.00

NO	SUPPLIER NAME	ITEM PROCURED	ORDER NUMBER	ORDER DATE	VOTE USED	PROCUREMENT PROCESS	AMOUNT
1	K M Squared Trading	Covid-19 pamphlets for the Matlosana area double sided 1. Pamphlets 30 000 x R0.95	0001003442	2021/03/08	32052300120FLMRCZZWD	3 Quote Process	R 28 460.00
2	Thsepana (Pty) Ltd	Supply and Delivery for corporate services mask and 100ml spray bottles with Dr KKDM logo 1. 100ml spray bottles with Dr KKDM logo 100 x R26.30 2. Disposable musk 3000 x R7.00	0001003454	2021/03/10	33052323600FLQ47ZZWD	3 Quote Process	R 23 630.00
Total							R52 090.00

DEVIATIONS

Table A4 Below provides list of transactions procured through Regulation 36 of the SCM Regulation (Deviations) from period 01/01/2021 – 31/03/2021

NO	COMPANY	DESCRIPTION	Locality %	SCM Reg. 36	AMOUNT
1	Rauco Trading CC	Deviation Repairing the flood water damage in the finance department offices.	100%	Procurement done through Regulation 36 1 (a) (i), in an emergency –The finance Department offices was damaged due to the rain and got flooded. Due to the flooding in the offices the carpets and some of the furnitures was damaged. (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes.	R 188 947.30
2	Hasler Business Systems	Deviation-Annual Maintenance of Franking Machine-NE50360	-	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 7 551.72
3	Pay-Day Software Systems	Deviation - Procurement of Consulting Services to Move the Pay Day Server From City of Matlosana to Dr Kenneth Kaunda District Municipality Data Centre in Klerksdorp	-	Procurement done through Regulation. 36 1 (a) (ii) Pay-Day Software System The contract between the municipality and Pay- Day Software System has since lapsed, but the municipality still make use of the system to administrate the salaries. Dr KKDM and Matlosana used to share the server. DRKKDM acquired own server to ease accessibility and maintenance.	R 18 549.50
4	Power Mowers CC	Deviation J/C 1356 Power Sprayer : Check to Service Check And Repair Carb, Test & Check Coil, Repair Valves and Pump	-	Procurement done through Regulation. 36 1 (a) (ii) Power Mowers is the sole provider of the power sprayer. The contract between the municipality and Power Mowers has since lapsed, the Power Sprayer is still in good condition and Municipal Health Services is till using	R 6 670.00

				the power sprayer.	
5	Pono Security Service and Projects	Deviation: additional security appointed to safeguard the municipality against threats of Boko Haram Gang.	100	Procurement done through Regulation 36 1 (a) (i), in an emergency- several gang members (Boko Haram) entered the office on the 5th March 2021 and threatened to disrupt the operation until their needs are met by having an engagement with management and Political leadership.	R 333 385.00 (VAT Inclusive)
Total					R 555 103.52

**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 (R48 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	R19 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 1 000.00	Current	Health	Current
8	Kgomo Africa Investment Holdings (PTY)	15-05-2018	14-05-2021	Development of a Dolomite Risk	R 6 994 128.00 Full contract amount	Current	Disaster	Current

	Ltd			Management Strategy Framework for Dr KKDM for 3 Years				
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	Current	Proposals are invited from suitably qualified consulting companies for the review of the district led strategy 2019	R 563 500.63 Full contract amount	Current	Led & Planning	Current
14	Botlhabatsatsi Trading and Projects 71 CC	12-11-2020	Current	Building renovations for Dr Kenneth Kaunda	R2 200 606.93 Full contract amount	Current	Led & Planning	Current

				District Municipality offices at the Disaster Risk Management Centre, Klerksdorp				
15	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

Table A6 provides a summary of procurements on awards evaluated on the PPPFA (80/20) from period 01/01/2021 to 31/03/2021

Quotes and Tenders

No.	Description 01/01/2021 – 31/03/2021	Company	Local %	BBBE level status contributor	Women Equity %	Amount	Any Deviation		If Deviation-Reason Provide
							Y	N	
1	RT-57 Transversal Tender Processes, Letter of approval by National Treasury Procurement of The Super (AB) (4x4) Bakkie for Maquassi Hills Fire And Rescue Services Rapid Intervention Vehicle Ford Ranger 3.2 TDCI Super Cab XLS 6mt 4x4 (2gm4) RT57-02-32-02	Ford Motor Company of Southern Africa	-	Level 7	-	R 2 925 161.53	N		
2	Quotation KKDM 2021/05 Supply Delivery of 15 Packs of Sporting Equipment for Elderly Sporting Teams	Hlompang Multi Traders	100%	Level 1	100%	R 50 943.75	N		
3	Quotation KKDM 2021/04 Supply and Delivery of 100 Food Hampers for the Needy	Hope Sends Trading	100%	Level 1	-	R 44 000.00	N		
4	Tender KKDM 05/20 Invitation from Suitably Qualified Professionals to Develop a Proposal for a District Housing Sector Plan and the Accreditation Business Plan for the Dr	Cholaw Consulting (Pty) Ltd	100	Level 1	50%	R 782 608.00	N		

	Kenneth Kaunda District Municipality							
						Total	R 3 802 713.28	

