

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

### **SUPPLY CHAIN MANAGEMENT REPORT FOR THE 4<sup>th</sup> QUARTER (1 April 2021 – 30 June 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**

	<b>NUMBER</b>	<b>AMOUNT</b>
90/10	None	0
80/20	2	R 5 746 856.85
Variations	None	0
SCM Regulation 32	None	0
Deviations	6	R 127 844.32
Quotations between R30K – R200k	None	
Covid-19 National Disaster	13	R 252 522.00
Quotations between R30K – R200k Advertised	7	
Tenders advertised	7	
Tenders awarded	2	R 5 746 856.85
Tenders cancelled	None	
Tenders referred back	1	

### **Procurement between R2000 and R30 000 (VTSD Spending) from period (01/04/2021 – 30/06/2021)**

The total transaction value of procurement made from the local service provider within Dr KK DM's area of jurisdiction amount to R 3 249 116.85.

Refer to Table A2 below

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

<b>Locality</b>	<b>Monthly Amount</b>
VTSD Spending	R 3 249 116.85
Other	-
<b>Total</b>	<b>R 3 249 116.85</b>

**Table A3**

Following is the Procurement Processes in Response to the Covid-19 State of National Disaster from period 01/04/2021 – 30/06/2021 amount to R 252 522.00.

<b>NO</b>	<b>SUPPLIER NAME</b>	<b>ITEM PROCURED</b>	<b>ORDER NUMBER</b>	<b>ORDER DATE</b>	<b>VOTE USED</b>	<b>PROCUREMENT PROCESS</b>	<b>AMOUNT</b>
<b>1</b>	Relebogile Group	Supply and delivery for office use  1. Disinfectant cleaner multipurpose 25L <b>2 @ R 1 630.00</b>  2. 70% Alcohol Sanitizers 25L <b>10 @ R1 630.00</b>	0001003556	2021/04/09	33052323600FLQ47ZZWD	3 Quote Process	<b>R 19 560.00</b>
<b>2</b>	Longtronics Trading and Project	Winter and covid-19 awareness Campaign  1. Sanitizers with Dr KKDM logo 100ml <b>900 @ R19.00</b>	0001003553	2021/04/14	39052300140FLP24ZZWD	3 Quote Process	<b>R 17 100.00</b>
<b>3</b>	Manasseh Projects and Logistics	Winter and covid-19 awareness campaign  2. A1 size Poster full colour <b>100 @195.00</b>	0001003574	2021/04/14	39052300120FLMRCZZWD	3 Quote Process	<b>R 19 500.00</b>
<b>4</b>	Rina Lesego Trading	Winter Awareness campaign at Hartbeesfontein  1. Hand soap 5L	0001003580	2021/04/16	39052300140FLP43ZZWD	3 Quote Process	<b>R 25 755.00</b>

		<ul style="list-style-type: none"> <li>10@ R250.00</li> <li>2. Face Cloth Mask <b>610 @R25.50</b></li> <li>3. Paper Hand Towel 1500M Rolls <b>10 @ R 260.00</b></li> <li>4. Posters Covid-19 messages in Afrikaans full colour <b>300 @ R 17.00</b></li> <li>5. Hand Sanitizers 5L <b>10 @ R385.00</b></li> </ul>					
<b>5</b>	Disc Heeperrs (Pty) Ltd	<p>supply and delivery of cleaning materials for schools cleaning campaign for speaker's office</p> <ul style="list-style-type: none"> <li>1. Sanitizers 20L <b>12 @ R 1 800.00</b></li> <li>2. Temperature scanners <b>4 @ R 2 000.00</b></li> </ul>	2021/05/04	0001003637	31102300120FLP72ZZWD	3 Quote Process	<b>R 29 600.00</b>
<b>6</b>	KM and SH Tradings (Pty) Ltd	<p>supply and delivery of cleaning materials for office use</p> <ul style="list-style-type: none"> <li>1. Pvc Gloves <b>80 @ R 75.00</b></li> <li>2. Latex coated gloves <b>20 @ R 90.00</b></li> <li>3. Mask 3000 (pack of 10) <b>300 @ R 70.00</b></li> <li>4. 1L Spray bottles with</li> </ul>	2021/05/31	0001003763	33052323600FLQ47ZZWD	3 Quote Process	<b>R 29 550.00</b>

		Dr KKDM Logo 25 @ R 120.00					
7	Mcina Trading Enterprise	Procurement of disinfectant foggers 12X330ML 60 @ R 105.00	0001003692	2021/06/10	33052323600FLQ47ZZWD	3 Quote Process	R 6 300.00
8	Omosanaledi Trading Enterprise	Procurement of hand sanitizers (70% alcohol base)for public participation school programs 1. Hand sanitizers (70% alcohol base) 3 @ R 2 000.00	0001003765	2021/06/06	33052323600FLQ47ZZWD	3 Quote Process	R 6 000.00
9	Mxolisi Galane Project Management	Procurement of hand sanitizers (70% alcohol base)For Public Participation School Programmes held 04-09 June 2021 1. Hand sanitizers (70% alcohol base) 6 @ R1 920.00	0001003816	2021/06/04	31102320600FLMRCZZWD	3 Quote Process	R 11 520.00
10	Pasko Trading	Promotional materials for Community Services Department: Fridge Magnets (5 Keys To Safe Food, Covid 19, Lestriosis , Dr Kenneth Kaunda District Municipality Logo, Photo Size, Colour, Message, Contact Details) 1. Fridge magnets photo size 800 @ R 34.00	0001003824	2021/06/09	39052300120FLP43ZZWD	3 Quote Process	R 27 200.00

<b>11</b>	MTBT Trading	Procurement of temperature scanners (thermometer) X3 for Public Participation School visit program 1. Temperature scanners (thermometer) <b>3 @ R979.00</b>	0001003766	2021/06/24	31102320600FLMRCZZWD	3 Quote Process	<b>R 2 937.00</b>
<b>12</b>	Kamilli Enterprise (Pty) Ltd	Supply and delivery of 25l 70% hand sanitizer clear in colour for EPWP projects 1. 25l 70% hand sanitizer <b>14 @ R 2 000.00</b>	0001003904	2021/06/29	39052320600FLMRCZZWD	3 Quote Process	<b>R 28 000.00</b>
<b>13</b>	Disc Heeperrs (Pty) Ltd	Supply, Delivery and Installation of 1 litre automatic hand sanitizer dispenser touch free sensors at the following Areas: Orkney, Klerksdorp, Potchefstroom, Ventersdorp and Wolmaranstad offices 1. 1 Litre Automatic hand sanitizer dispenser touch free sensors <b>10 @ R2 950.00</b>	0001003905	2021/06/28	33052323600FLQ47ZZWD	3 Quote Process	<b>R 29 500.00</b>
<b>Grand Total</b>							<b>R 252 522.00</b>

## **DEVIATIONS**

**Table A4** Below provides list of transactions procured through Regulation 36 of the SCM Regulation (Deviations) from period 01/04/2021 – 30/06/2021



<b>NO</b>	<b>COMPANY</b>	<b>DESCRIPTION</b>	<b>Locality %</b>	<b>SCM Reg. 36</b>	<b>AMOUNT</b>
1	Pay-Day Software Systems (Pty) Ltd	Consultation on Payroll Issuing of IRP-5 and final submitting of EMP 501	-	Procurement done through Regulation. 36 1 (a) (ii) If such goods or services are produced or available from single provider only. Pay-Day Software System Consultation on Payroll by issuing of IRP-5 and final submission of EMP 501. Pay-Day Software System Contract has since lapsed, but the municipality still make use of the system to administrate the salaries.	<b>R 16 588.75</b>
2	Sasfin Commercial Solution	Annual Subscription fees for the franking machine.	-	Procurement done through Regulation. 36 1 (a) (ii) If such goods or services are produced or available from single provider only. Sasfin Commercial Solution is the sole provider of the franking machine's ink cartridges. The contract between the municipality and Sasfin Commercial Solution has since lapsed, the franking machine is still in good condition and Corporate Support Services is still using the machine.	<b>R 2 949.97</b>
3	South African Post Office	Annual renewal of Private bag	-	Procurement done through Regulation. 36 1 (a) (ii) If such goods or services are produced or available from single provider only. South African Post Office is the only supplier for the service rendered.	<b>R 2 330.00</b>
4	Midvaal Water Company	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	<b>R 18 565.60</b>

				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.	
5	A T C Approvement Construction	Emergency procurement of Catering for evicted families	100	Procurement done through Regulation 36 1 (a) (i), in an emergency – on the 02 April 2021 (Good Friday) 51 farm dwellers from Blesbokfontein Farm at JB Marks Local Municipality (Ventersdorp Region) got evicted. An immediate Assistance of Catering for 51 people was then required- one quotation was sourced. ATC Approvement Construction provided the dwellers with breakfast for 4 days, lunch for 5 days and dinner for 5 days.	<b>R 82 110.00</b>
6	South African Broadcasting Corporation	Annual subscription fees for TV licenses	-	Procurement done through Regulation. 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.	<b>R 5 300.00</b>
<b>Grand Total</b>					<b>R 127 844.32</b>

**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**

<b>NO.</b>	<b>Contractor Name</b>	<b>Commence Date</b>	<b>Expiry Date</b>	<b>Services</b>	<b>Monthly Payment</b>	<b>Status</b>	<b>Responsible dept/official</b>	<b>Comments</b>
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 <sup>st</sup> year)	Current	Finance	Current
6	JB Marks	01-01-2018	Until Notice	Tlokwe EHS, Rental Of Office Space (EHS)	Monthly Amount: R 1 000.00	Current	Health	Current
7	Nalko Engineering	23-09-2019	22-09-2022	Road Asset Management System (RAMS)	R 5 669.50 Per Rate	Current	Infra	Current
8	Pono Security Service	01-10-2019	30-09-2022	Security Service	R 251 651.70 (monthly)	Current	Corporate	Current MFMA section 114

9	Indlela Data (Pty) Ltd	28-10-2019	27-10-2022	Photo Copiers	R 3 701 078.43 Full contract amount	Current	Corporate	Current
10	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
11	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
12	Botlhabatsatsi Trading and Projects 71 CC	12-11-2020	Current	Building renovations for Dr Kenneth Kaunda District Municipality offices at the Disaster Risk Management Centre, Klerksdorp	R 2 200 606.93 Full contract amount	Current	Led & Planning	Current
13	Cholaw Consulting (Pty) Ltd	18-03-2021	Current	Invitation from Suitably Qualified Professionals to Develop a Proposal for a District	R 782 608.00 Full contract amount	Current	Led & Planning	Current

				Housing Sector Plan and the Accreditation Business Plan for the Dr Kenneth Kaunda District Municipality				
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**Table A6** provides a summary of procurements on awards evaluated on the PPPFA (80/20) from period 01/04/2021 to 30/06/2021 amount to R 5 746 856.85

### Quotes and Tenders

No.	Description 01/04/2021 – 30/06/2021	Company	Local %	BBBE level status contributor	Women Equity %	Amount	Any Deviation		If Deviation-Reason Provide
							Y	N	
1	<b>TENDER KKDM 14/20</b> 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	Go Big Media (Pty) Ltd	100%	Level 2	50%	R 4 271 211.85	N		
2	<b>TENDER KKDM 06/20 (RE-ADVERT)</b> Invitation to Supply & Deliver Equipment/Goods for the Development of SMME/Cooperatives And Small Scale Farmers	Wongalethu Prominent Services	100%	Level 1	-	R 1 475 645.00	N		
<b>Grand Total</b>						<b>R 5 746 856.85</b>			

