

REPORT TO THE MAYORAL COMMITTEE BY THE DIRECTOR: FINANCE AND CORPORATE SERVICES: MEETING 15 MAY 2013

1. BUDGET AND TREASURY BRANCH

1.1 MATTERS TO BE CONSIDERED IN TERMS OF DELEGATED AUTHORITY AND FOR INFORMATION

1.1.1 Supply Chain Management Report – Quarter ended March 2013

Introduction

In terms of paragraph 6 of the Supply Chain Management Policy, the Council must maintain oversight over the implementation of this policy to ensure that the accounting officer implements all supply chain management activities in accordance therewith.

In order to comply, the accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayor.

These reports must be made public in accordance with Section 21a of the Municipal Systems Act.

Progress and Compliance

Progress

CDM with GIZ and Provincial Treasury launched a Practical Guideline for the Implementation of a SCM Policy on 13 December 2012 at Cacadu District Municipality

The SCM unit is continually endeavouring to improve internal controls to ensure compliance.

Compliance

Monthly reports are submitted to Provincial Treasury and National Treasury in respect of procurement of goods and services above R100 000. However, these reports were not always submitted on time, as the Accountant: SCM left the employ of the Municipality, and a new person had to be registered on the electronic system.

Challenges and Constraints

The Accountant: SCM left the employ of the Municipality on 31 January 2013, and the position is still vacant. This has put enormous strain on the Supply Chain Management Unit, as the unit has been managed by two Finance Interns.

Internal Controls within SCM have been strengthened and improved significantly by introducing the following to ensure compliance to the SCM Policy:

- Checklist before payment is made
- Checklist to the Bid Adjudication Committee
- Deviations System including comments from SCM to assist authorisers
- Evaluation and adjudication of quotes between R30 000 and R200 000 by committee structures.

The controls implemented will assist in compliance with SCM regulations. However, these controls will not address non-compliance of awards made prior to the implementation of these controls. It is envisaged that non-compliance will be eliminated upon fulfilment of these awards.

Although the above controls have been implemented, the following issues are still occurring:

- Requisitions not submitted timeously for processing of orders e.g. travelling accommodation and catering.
- Suppliers not responding timeously, or not at all, to requests for quotations.
- Suppliers not properly registered on the database.
- The vacant position of Senior Buyer has not been filled.

Solutions and Way Forward

Solutions and controls for the challenges and constraints above are:

- Emails were forwarded to relevant supervisors informing them of requisitions not submitted timeously.
- A memorandum was forwarded to all users, informing them that SCM Unit has 5 working days in which to process an order.
- Suppliers not properly registered on the database were requested in writing and verbally to comply.
- The possibility of centralising all SCM functions will be investigated once the vacant positions have been filled.

Supply Chain Management Information for the quarter

- Awards above R200 000 (refer to Annexure “ ”, page)
- Awards between R30 000 and R200 000 (refer to Annexure “ ”, page)
- Awards between R2 000 and R30 000 per department (refer to Annexure “ ”, page)
- BBBEE Ratings of Standard Service Providers (refer to Annexure “ ”, page)
- Deviations Approved (refer to Annexure “ ”, page)

A summary of the deviations approved during the quarter are as follows:

Deviation	Qty	Value
Emergency	2	421 891.06
Single Provider	7	91 218.39
Impractical or impossible to follow the official procurement processes	34	2 621 137.05
Total	43	3 134 246.50

Submitted for information

AWARDS ABOVE R200 000 (JANUARY - MARCH 2013)

SERVICE PROVIDER	BID/ DEVIATION NUMBER	CONTRACT DESCRIPTION	CONTRACT AMOUNT (INCLUDING VAT)	APPROVAL DATE	BBBEE LEVEL OF SERVICE PROVIDER
1 Engineering Advice & Services	Deviation 168	Assessment of the disaster of the floods in the district	R 404,141.06	16/01/2013	6
2 CHM Vuwani	Bid 81/2012	Supply and Delivery of Computers, Hardware and Software for CDM	R 419,217.55	25/01/2013	2
3 Solstice Networks	Bid 79/2012	Provision of Accredited National Treasury Minimum Competence Regulation	R 1,440,000.00	25/01/2013	3
4 Ernst and Young Advisory Services and A2A Kopano Inc	Bid 84/2013	Implementation of GRAP Financial Statements and Other Budget and Accounting reforms at local municipalities within CDM's District	Amount to be finalised after implementation plan	18/02/2013	2
5 Suid Kaap Waardeerdes	Bid 94/2012	Valuation of Land and Buildings	R 359,385.00	18/02/2013	4
6 Ingerop Consulting Engineers	Bid 47/2012	Appointment of professional Service providers	R 454,575.00	18/02/2013	2
7 Vela VKE Consulting Engineers	Bid 47/2012	Appointment of professional Service providers	R 439,983.00	18/02/2013	2
8 Algoa toyota uitenhage	Bid 60/2012	Purchases of two 4x4 Double cab vehicles	R 895,167.56	18/02/2013	5
9 Dimension Data	Bid 54/2012	IP PAXB Systems	R 848,914.29	18/02/2013	3
10 Essentially woodlands One-Primary	Deviation 182	Funding from CDM for Essential Oils	R 497,090.00	21/02/2013	0
11 C3 Architects	Deviation 153	Design and construction of a fire statino in BCRM	R 544,700.00	13/03/2013	2
12 Messrs Lumphulo Construction	82/2012	Jansenville Water Conservation and Demand Management/ WTW: Installation of Zone Meters	R 1,261,080.40	25/03/2013	3
			R 7,564,253.86		

AWARDS BETWEEN R30 000 AND R200 000 (JANUARY 2013 - MARCH 2013)

	SERVICE PROVIDER	REF NUMBER	CONTRACT DESCRIPTION	CONTRACT AMOUNT (INCLUDING VAT)	BBBEE LEVEL OF SERVICE PROVIDER
1	Lulutho Skills Transfer	Quote 93/2012	Paterson rainwater harvesting: Supply and supervision of labour for installation of rainwater tanks.	R 139,750.00	3
2	Athi & Esethu Trading Enterprise	Quote 4/2013	Demolishing of Old toilet Structures in Glencornner, Kleinpoort and Wolwefontein	R 114,708.00	0
3	Engineering Advice and Services (Pty) Ltd	Deviation 120	Review of the CDMITP	R 189,832.80	6
4	Aspire Solutions	Deviation 207	Implementation of the PMS in the 9 LM's	R 148,500.00	4
5	Hobson A R	Deviation 210	Mentorship for Sakkies Small farmers for the period (July '13 - Jan '13)	R 110,833.00	0
6	Mr Leon Coetzee	Deviation 212	Mentorship in Rockville farm (July '13 - Jan '14)	R 116,655.00	0
7	Olivier E	Deviation 217	Mentorship for Aberdeen piggery (July 13 - April 14)	R 159,600.00	0
8	Dumisa Design and Advertising	O/N 320221	Advert for the Herald and Sunday Times	R 42,066.00	1
9	Quick Brick Machines and Equipment cc	Deviation1 71	Supply and delivery of new brickmaking machine in Paterson	R 99,999.99	0
10	Essentially Woodlands	Deviation1 83	Grant Funding for Essentially Woodlands One Primary Co-op	R 66,510.00	0
11	Hobson A R	Deviation2 11	Extension of mentorship contract	R 79,167.00	0
12	Continuing Education at University of Pretoria Trust	Deviation 174	Two officials attending program in project management	R 69,700.00	0
13	Carlson Wagon Travel Associates	Bid 17/2010	Corporate Services Team Building Workshop	R 44,000.00	0

	SERVICE PROVIDER	REF NUMBER	CONTRACT DESCRIPTION	CONTRACT AMOUNT (INCLUDING VAT)	BBBEE LEVEL OF SERVICE PROVIDER
14	Carlson Wagon Travel Associates	Bid 17/2010	Training Venue for NT Competency Requirements	R 59,024.00	0
15	Thamahlangu Trading Enterprise	Quote 91/2012	Replacing Broken Doors in CDM Building	R 54,538.88	0
16	Sebenzisana Trading 50 cc	Quote 88/2012	Supply and delivery and erection of classroom in Wolwefontein	R 82,160.00	3
17	Lulutho Skills Transfer	Quote 93/2012	Supply and supervision of labour for installation of rain water tanks	R 139,750.00	3
18	Moon Soon General Traders	Quote 83/2012	Supply and delivery of materials for connection of sewer lines	R 95,546.00	3
19	Engineering Advice and Services (Pty) Ltd	Deviation 201	Review of ITP for 2013/14	R 189,832.80	6
20	Athi and Esethu Trading Enterprise	Quote 4/2013	Demolishing of old toilet structure in Glenconner, Kleinpoort and Wolwefontein	R 114,708.00	0
21	African Bioresources	Deviation 214	Mentorship in Klipplaat Hydroponic (Feb 13 - June 13)	R 62,500.00	0
22	African Bioresources	Deviation 215	Mentorship in Klipplaat Hydroponic (July 13 - Jan 14)	R 87,500.00	0
23	Olivier E	Deviation 216	Mentorship for Aberdeen piggery (May 13 - June 13)	R 31,920.00	0
				R 2,298,801.47	

AWARDS (ORDERS) BETWEEN R 2,000 to R 30,000

Department	Qty	Amount
Office of the Mayor	87	R 496,428.38
Office of MM	33	R 225,943.39
Infrastructure and Planning	31	R 238,554.78
Economic Development	16	R 130,650.31
Finance and Admin	56	R 562,017.74
	223	R 1,653,594.60

**BBBEE RATINGS OF STANDARD SERVICES PROVIDERS
DURING THE PERIOD (JANUARY 2013 TO MARCH 2013)**

BBBEE Rating*	No. of Orders made to	Amount R	%
0	306	3,632,527.89	70.06
1	26	201,016.30	3.88
2	6	67,059.36	1.29
3	37	343,099.17	6.62
4	9	29,234.60	0.56
5	1	895167.56	17.27
6	7	15,149.05	0.29
7	0	0.00	0.00
8	3	1535.43	0.03
		5,184,789.36	

* BBBEE Rating as per supplier database

DEVIATIONS REGISTER - JANUARY 2013 TO MARCH 2013

Date	Ref	Supplier Name	Description of goods/services	Amount	Department	Reason for deviations
10/01/2013	166	Cerfontein Builder	Fix damaged safety glass to curtain walling at the main entrance (ground Floor) of the Standard bank building	R 17,750.00	IS&P	Emergency
16/01/2013	168	Engineering Advice & services	Assessment of the disaster of the floods in the district	R 404,141.06	IS&P	Emergency
16/01/2013	169	SKW Suid- Kaap	Valuation of Farm539/83 Kirkwood	R 18,521.00	IS&P	it is impractical or impossible to follow the official procurement processes
22/01/2013	170	C.J. Technologies	Replacement of part on the binding machine	R 4,003.68	F&CS	it is impractical or impossible to follow the official procurement processes
21/01/2013	171	Doubell Machines	Supply and delivery of new brickmaking machine in Sundays River Valley (Paterson)	R 99,999.99	ED	it is impractical or impossible to follow the official procurement processes
29/01/2013	173	CTU Training Services	MCSA Windows Server Training	R 18,900.00	F&CS	such goods or services are produced from a single provider only
21/02/2013	174	Continuing Education at University of Pretoria Trust	Furthering studies for personnel in infrastructure	R 69,700.00	IS&P	it is impractical or impossible to follow the official procurement processes
19/02/2013	181	Bloom Zone Skills Services	Record Management Course	R 17,920.80	F&CS	such goods or services are produced from a single provider only
07/02/2013	24/2013	GP Van Niekerk Ondernemings Bk	Annual Software license for VT100	R 7,618.05	F&CS	such goods or services are produced from a single provider only
21/02/2013	182	Essentially Woodlands One-Primary Coop	Woodlands Essential Oils receives funding from CDM (account no. 01 147 76108)	R 497,090.00	ED	it is impractical or impossible to follow the official procurement processes
21/02/2013	183	Essentially Woodlands One-Primary Coop	Woodlands Essential Oils receives funding from CDM (account no. 01 147 78218)	R 66,510.00	ED	it is impractical or impossible to follow the official procurement processes

Date	Ref	Supplier Name	Description of goods/services	Amount	Department	Reason for deviations
14/02/2013	185	Animal Outreaches	To prevent communicable diseases and manage spreading	R 16,542.00	IS&P	it is impractical or impossible to follow the official procurement processes
12/02/2013	187	Yabo tours	Transporting 15 people from Makana Municipality to Kirkwood on 13/02/2013	R 6,000.00	MM	it is impractical or impossible to follow the official procurement processes
12/02/2013	188	Swini and Son	Transporting 15 people from Kouga Municipality to Kirkwood Prison on 13/02/2013	R 4,800.00	MM	it is impractical or impossible to follow the official procurement processes
12/02/2013	189	Mdloyi Traders	Transport 15 people from Ndlambe to Kirkwood on 13/02/2013	R 6,000.00	MM	it is impractical or impossible to follow the official procurement processes
12/02/2013	190	Tommy Klaasen	Transporting 15 people from Blue Crane Route Municipality to Kirkwood on 13/02/2013	R 4,500.00	MM	it is impractical or impossible to follow the official procurement processes
12/02/2013	191	Klaasen Transport	Transporting 15 people from Koukamma Municipality to Kirkwood on 13/02/2013	R 7,000.00	MM	it is impractical or impossible to follow the official procurement processes
12/02/2013	192	Bizamna Trading	Transporting 15 people from Paterson,Addo and Kirkwood to Kirkwood Prison on 13/02/2013	R 2,550.00	MM	it is impractical or impossible to follow the official procurement processes
14/02/2013	193	Bush Guest House	Transporting people from Camdeboo LM area for the State of Nation address	R 10,500.00	MM	it is impractical or impossible to follow the official procurement processes
12/02/2013	194	JBV Caterers	Transporting 15 people from Graaf Reinet to Kirkwood on 13/02/2013	R 5,100.00	MM	it is impractical or impossible to follow the official procurement processes
12/02/2013	195	Koetaan Bus Services	Transporting of 15 people from Kliplaat to Kirkwood Prison 13/02/2013	R 6,800.00	MM	it is impractical or impossible to follow the official procurement processes

Date	Ref	Supplier Name	Description of goods/services	Amount	Department	Reason for deviations
12/02/2013	196	Janse van Vuuren	Transporting 15 people from Baviaans to Kirkwood on 13/02/2013	R 8,000.00	MM	it is impractical or impossible to follow the official procurement processes
11/02/2013	197	Dr Tebelele	Workplace Health Programme February 2013	R 29,952.08	MM	it is impractical or impossible to follow the official procurement processes
14/02/2013	199	JBV Caterers	Catering for State of Nation Address	R 11,600.00	MM	it is impractical or impossible to follow the official procurement processes
15/02/2013	200	Kirkwood recreation	Venue and catering for 140 people	R 12,031.80	MM	such goods or services are produced from a single provider only
25/02/2013	202	Avusa Media	Newspapers subscriptions	R 15,000.00	F&CS	such goods or services are produced from a single provider only
28/02/2013	203	NMMU	Cisco Certified Networking Associate Course	R 18,400.00	F&CS	such goods or services are produced from a single provider only
26/02/2013	205	Media 24 (Die Burger)	Newspapers subscriptions	R 1,347.74	F&CS	such goods or services are produced from a single provider only
13/03/2013	153	C3 Architects	Design and construction of a fire statino in BCRM	R 544,700.00	IS&P	it is impractical or impossible to follow the official procurement processes
25/03/2013	175	Silver solutions	Replacement of light bulbs in the CD Mbuilding	R 9,990.00	IS&P	it is impractical or impossible to follow the official procurement processes
15/03/2013	201	Engineering Advice & services	Review of the CDMITP	R 189,832.80	IS&P	it is impractical or impossible to follow the official procurement processes
15/03/2013	204	Heatley Agencies CC	Specialised custom gutter brackets for the Paterson project	R 27,445.50	IS&P	it is impractical or impossible to follow the official procurement processes

Date	Ref	Supplier Name	Description of goods/services	Amount	Department	Reason for deviations
25/03/2013	207	Aspire Solutions	Implementation of the PMS in the 9 LM's	R 148,500.00	MM	it is impractical or impossible to follow the official procurement processes
18/03/2013	208	Mr Anthony Elliot	Agriculture mentorship for Lamoney Trust for the period (fees July 2013 - Jan 2014)	R 54,833.00	ED	it is impractical or impossible to follow the official procurement processes
18/03/2013	209	Mr Anthony Elliot	Mentorship in Lamoney Trust for the period (Feb '13 - June '13)	R 39,167.00	ED	it is impractical or impossible to follow the official procurement processes
18/03/2013	210	Mr Ray Hobson	Mentorship for Sakkies Small farmers for the period (July '13 - Jan '13)	R 110,833.00	ED	it is impractical or impossible to follow the official procurement processes
18/03/2013	211	Mr Ray Hobson	Mentorship for Sakkies Small farmers for the period (Feb '13 - June '13)	R 79,167.00	ED	it is impractical or impossible to follow the official procurement processes
18/03/2013	212	Mr Leon Coetzee	Mentorship in Rockville farm (July '13 - Jan '14)	R 116,655.00	ED	it is impractical or impossible to follow the official procurement processes
18/03/2013	213	Mr Leon Coetzee	Mentorship in Rockville farm (Feb '13 - Jun '14)	R 83,325.00	ED	it is impractical or impossible to follow the official procurement processes
18/03/2013	214	African Bio resources	Mentorship in Klipplaat Hydroponic (Feb '13 - June '13)	R 62,500.00	ED	it is impractical or impossible to follow the official procurement processes
18/03/2013	215	African Bio resources	Mentorship in Klipplaat Hydroponic (July '13 - Jan '14)	R 87,500.00	ED	it is impractical or impossible to follow the official procurement processes
18/03/2013	216	Ms E Olivier	Mentorship for Aberdeen piggery (May '13 - Jun '13)	R 31,920.00	ED	it is impractical or impossible to follow the official procurement processes

Date	Ref	Supplier Name	Description of goods/services	Amount	Department	Reason for deviations
18/03/2013	217	Ms E Olivier	Mentorship for Aberdeen piggery (July 13 - April 14)	R 159,600.00	ED	it is impractical or impossible to follow the official procurement processes
				R 3,134,246.50		