



# **! Kheis**

Munisipaliteit  
Municipality

**TO/AAN:** Provincial Treasury

**CC:** Auditor General  
Mr. J.Willemse ( Acting: Municipal Manager )

**FROM/VAN:** Mr Sylvester De Wee : Supply Chain Officer

**DATE/DATUM:** 07 April 2017

**ENQUIRIES/NAVRAE:** Mr Sylvester De Wee : Supply Chain Officer

**RE : QUARTERLY SUPPLY CHAIN REPORT**

**DEPARTMENT OF FINANCE**

**SECTION SCM: SUPPLY CHAIN MANAGEMENT**

**QUARTERLY REPORT: January, February and March 2017**

**IMPLEMENTATION OF THE MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY**

The local Government Municipal Finance Management Act (No.56 of 2003) requires a municipality to draft a supply chain management policy which gives effect to the provision of the legislation.

Section 112 of the MFMA further stipulated that the Policy must be fair, equitable, transparent and competitive and comply with the prescribed regulatory framework.

To give effect to the MFMA the Bid Committee Members were served with appointment letters, code of conduct and the Confidential Financial public forms to be filled and signed

**SCM STAFF**

1X Supply Chain Officer

1X Finance Intern (Rotational)

## TRAINING

It is imperative that training for SCM staff to be conducted as supply chain management is a highly specialised field.

## BID COMMITTEES

!Kheis Municipality has established the following bid committees

- **Bid Specifications**
  - Assets Officer
  - Asst. Expenditure Accountant
  - Creditors Clerk
  - Risk Clerk
  
- **Bid Evaluation**
  - Director: Technical Services
  - Supply Chain Officer ( Secretary )
  - Debtors Clerk
  - Finance Intern
  - Asst. Income Accountant
  
- **Bid Adjudication**
  - Acting: Chief Financial Officer
  - Director: Community Services
  - Head: Legal and Policy's
  - Budget and Treasury Officer

No specific days were established for bid committee meetings, committee meetings are only schedule on request for completing of competitive advertised tenders.  
Urgent training for new Bid Committee members.

**DEVIATIONS FOR THE OCTOBER, NOVEMBER AND DECEMBER MONTH**

**Deviations Register**

MONTH	AUTHORISED BY ACCOUNTING OFFICER / DELEGATED OFFICER	TRANSACTION AMOUNT	REASON
January 2017	Yes	R 5662.38	Deviations
February 2017	Yes	R 32 731.86	Deviations
March 2017	Yes	R 23 269.13	Deviations
<b>TOTAAL</b>		<b>R 61 663.37</b>	

**FRUITLESS AND WASTEFUL EXPENDITURE FOR OCTOBER, NOVEMBER AND DECEMBER MONTH**

**Fruitless and Wasteful Expenditure**

MONTH	AUTHORISED BY ACCOUNTING OFFICER / DELEGATED OFFICER	TRANSACTION AMOUNT	REASON
January 2017	No	R 1864.61	Interest
February 2017	No	R 649.09	Interest
March 2017	No	R 922.81	Interest
<b>TOTAAL</b>		<b>R 3163.50</b>	

**UNAUTHORISED EXPENDITURE FOR OCTOBER, NOVEMBER AND DECEMBER**

**Unauthorised Expenditure**

MONTH	AUTHORISED BY ACCOUNTING OFFICER / DELEGATED OFFICER	TRANSACTION AMOUNT	REASON
January 2017	None	None	None
February 2017	None	None	None
March 2017	None	None	None
<b>TOTAAL</b>		<b>R 0</b>	

#### **IRREGULAR EXPENDITURE**

No irregular expenditure for the month of January, February and March 2017.

#### **SEVEN DAYS NOTICE FOR THE MONTHS ABOVE THE THRESHOLD OF R30 000.00 UP TO R200 000.00**

Chemicals P300 for the water treatment plants was advertise for seven days notice and had been awarded to Thepa Trading cc and Hth chemicals to RJ Diensverskaffers for written price quotation above the threshold of R 30 000.00 for January, February and March 2017.

#### **WRITTEN PRICE QUOTATION EXCEEDING R100 000.00**

No written price quotation had been awarded for the month of January, February and March 2017.

#### **NATIONAL TREASURY (CENTRAL SUPPLIER DATABASE)**

The National Treasury has developed and implemented a database of suppliers from 01 July 2016.

**Suppliers must be on the Central Supplier Database of National Treasury to be registered to make business with the Municipality.**

The municipality / municipal entity should endeavour to publish the aforementioned information within ten (10) working days after closure of the bid and it must remain on the website of the municipality or municipal entity.

Adverts were placed on the notice board, website for at least thirty (30) days and in the newspaper to invite suppliers to register on the municipal database.

The Municipal Bidding Document (MBD 4) "Declaration of Interest" attached as Annexure C has been augmented to require bidders to submit the names of their directors / trustees / shareholders, their individual identity numbers, personal tax reference numbers and employee numbers of those who are in the service of the state as defined in the Municipal Supply Chain Management Regulations as part of their bid submissions.

Should it come to light that a false declaration was made by the bidder after the municipality had awarded the bid, the contract must be immediately suspended and payments made, recovered. False declarations by bidders can be viewed as a criminal offence and charges must be laid by the municipality with the South African Police Services for further investigation. Details will be reported to Council at its next meeting and information contained in the Annual Report of the municipality.

#### **TENDERS AWARDED FOR THE MONTH**

No bids had been awarded for month the of January, February and March 2016.

#### **BIDS APPROVED**

No bids had been approved for the month of January, February and March 2017.

#### **GIFT REGISTER**

No gift had been received for the month of January, February and March 2017.

**DELEGATIONS OF POWERS**

Sign letters for delegations of powers to official.

**Conclusion**

The SCM ensuring that the Municipality is financially viable to adhere to the policies, procedures for compliance and to prevent fruitless, wasteful and irregular expenditure.

Compiled by;



.....  
Mnr. S A De Wee  
Supply Chain Officer

Check by;



.....  
Mr J. Willemse  
Acting Municipal Manager