



**MANTSOPA LOCAL MUNICIPALITY:  
DEPARTMENT OF FINANCE**

**SUBJECT: MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003: REPORT ON IMPLEMENTATION OF MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY FOR THE QUARTER ENDED OF 31 MARCH 2020**

**1. PURPOSE**

To report to council on the implementation of Municipal Supply Chain Management Policy.

**2. SUMMARY**

In terms of regulation 6 of the Supply Chain Management Regulations of 30 May 2005 the Accounting Officer of the municipality must, within 30 days of the end of each financial year, submit a report on the implementation of the Supply Chain Management Policy to council.

In terms of regulation 36(1) of the Supply Chain Management Regulations of 30 May 2005, a Supply Chain Management policy may allow the Accounting Officer-

- a) to dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only-
- (i) in an emergency;
  - (ii) if such goods or services are procured or available from a single provider only;
  - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - (iv) acquisition of animals for zoos; or
  - (v) in any exceptional case where it is impractical or impossible to follow the official processes; and

- b) To ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
2. The Accounting Officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and report them to next meeting of the Council and include as a note to the Annual Financial Statements.

**3. DISCUSSION**

Mantsopa Local Municipality approved its supply chain management policy on the 01 December 2005, and it is reviewed annually and according to the policy the Accounting Officer must establish supply chain management unit to implement its supply chain management policy.

**3.1 ADVERTISEMENTS AND ADJUDICATION OF BIDS FOR 2019/20 (QUARTER ENDED 31 MARCH 2020)**

Bid Number	Description	Name of Service Provider	Amount
			Total = R0,00

**3.2 DEVIATIONS**

The following were procured through section 36 of the SCM regulation

DATE	VENDOR	DESCRIPTION	ORDER NO	AMOUNT	REASON
07/01/2020	Bene Tech	Renting of Sewerjet	WS29342	R 42,704.10	The area of Mekokong in Manyatseng was exposed to serious health hazard as a result of a main sewer pipeline blockage on the 27 August 2019. The municipal sewer jet could not handle the magnitude of work as a result it was stuck inside the pipe. Therefore we request that SCM involves section 36 regulation to emergency, procure for us the sewer jet from available services provider consequently

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					the spillage was fixed with 5 days from 29/08/2019 to 02/10/2019.
07/01/2020	Investment INN (Pty) Ltd	Hiring of Vehicle	WS29337	R 29,225.00	The vehicles that attend to sewer complains is broken down and not replaceable internally and there is unclear time frame to fix it.The municipality is experiencing difficulties in attending to sewer blockages and some resulting overflowing into houses.The emerging situation require urgent and emergency hiring of a bakkie in order to deal with these nuisances whic is cause by sewer blockages.The Department would like to strongly recommend hiring of light bakkie for a period of 7 days from 02-08 December 2019.These time frame will be reviewed depending on the availability of municipal sewer vehicles.
07/01/2020	Investment INN (Pty) Ltd	Hiring of Vehicle	WS29330	R 30,625.00	The vehicle that attend to sewer complains is broken down and not replaceable internally and there is unclear time frame to fix it.The municipality is experiencing difficulties in attending to sewer blockages and some resulting overflowing into houses.The emerging sutuation require urgent and emergency hiring of a bakkie in order to deal with these nuisances which is cause by sewer blockages.The Department would like to strongly recommend hiring of light bakkie for a period of 7 days from 18-24 November 2019.These time frame will be reviewed depending on the availability of municipal sewer vehicles.
17/01/2020	Thomson's Auto Body Repairs	Clutch Kit	FL29404	R 22,573.06	The municipality utilized Thompson's Auto Body Repairs for the strip, supply spares and repair complete the gearbox pilot bearings and replace complete the clutch kit of Landini power farm tractor,DBP314FS.The SCM could not obtain other quotes due to the strip and quote process.
17/01/2020	Man Automotive Bloem	Repairs DDM442FS	FIR29536	R 19,955.72	The municipality utilized Man Truck Automotive (Pty) Ltd for strip and supply spares, valve pressure and perform service for the vehicle registration number DDM442FS,Man Truck. Due to strip and quote process, it is impracticable to

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					obtain other quotes that is why the SCM obtained only one quote from the manufacturer.
17/01/2020	Man Automotive Bloem	Repairs DDM442FS	FIR29536	R 16,393.83	The municipality vehicle Man Truck reg no: DDM442FS broke down due to exhaust brake and Switch pressure it needs to be fixed and diagnosed for strip and repairs. The SCM sourced one quotation from Man Truck Automotive (Pty) Ltd because the supplier is the manufacturer of the vehicle and vehicle was stripped prior for diagnosis.
17/01/2020	Toyota Ladybrand	Repairs DMD942FS	FL29405	R 5,236.38	The municipality utilized Toyota Ladybrand for strip, supply spares & repair complete the fuel pump assembly, harness and suction gasket of Toyota Quantum DMD942FS, because the supplier is the manufacturer, hence longevity and expected workmanship guarantee. The SCM could not obtain other quotes due to vehicle being stripped and quoted.
17/01/2020	Thomson's Auto Body Repairs	Repairs FKZ049FS	FL29406	R 4,045.13	The municipality utilized Thompsons Auto Body for strip, supply spares and repair complete, front wheel bearings, front shocks, front and rear inner and outer tie rod ends for FKZ049FS. Due to the strip and quote, the SCM could not obtain other quotations as the vehicle had already been stripped to diagnose and ascertain the defects.
30/01/2020	C PAC Pumps & Valves	HCP Pump S/N 21103281	WS29343	R 15,299.60	The municipality utilized C PAC Pumps & Valves as the company arranged to strip and quote repairs on the HCP Pump S/N 21103281 at Platberg Sewer Pump Station in Ladybrand. Which burnt on 06/09/2019 and they installed a new one and collected this burnt pump for repairs on 26/09/2019.
12/02/2020	Q&H Water & Sewage Services	Repairs HCP Pump	WS29366	R 18,756.50	The municipality utilized Q&H Water and Sewage Services as the company arranged to strip and quote repairs on the HCP pump S/N 21103278 at Platberg sewer pump station in Ladybrand. Which burnt on 20/01/2020

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19/02/2020	John Williams Motors	Repairs FKJ123FS)	FL29428	R 6,341.10	The municipality utilized John Williams Ladybrand for strip and repairs of the front wheel brake pads and discs; of Mercedes Benz FKJ123FS. The SCM sourced one quotation from John Williams because the supplier is the manufacturer and vehicle were stripped prior for diagnosis.
19/02/2020	Plexus Suppliers cc	Air conditioners Service	FL29426	R 2,380.50	The municipality utilized Plexus Suppliers for the strip, repair and service the offices air conditioners. Due to the fact that the service requires the units to be stripped, repaired and/or serviced, it was impractical for SCM to obtain other quotations
07/02/2020	Manyatseng Motors	Repairs DKG354FS	FL29427	R 3,700.00	The municipality utilized Manyatseng Motors for strip, supply spares; complete clutch kit and repair, including replacement of pilot bearings for the vehicle registration number DKG354FS, GWM Bakkie.
28/01/2020	OVK/Ladybrand Toyota	Repairs & Maintenance HDD587FS	FL29415	R 2,231.57	The municipality utilized Toyota Ladybrand for strip, supply spares & service Toyota Avanza. HDD587FS, because the supplier is the manufacturer. Hence, expected longevity and guarantee on genuine parts and workmanship. The SCM could not obtain other quotation hence with.
31/01/2020	John Williams Motors	Repairs FXX644FS	FL29409	R 66,868.50	The municipality utilized John Williams Ladybrand for the strip, supply spares parts and repair complete the following; brake pads and linings, rear park sensor bracket, replace on boards electrical system replace camshaft, timing belt, cylinder head cover and adjust timing of Mercedes Benz, FXX644FS because the supplier is the manufacturer. The SCM could not obtain other quotations due to strip and quote process.
31/01/2020	Komatsu	Repairs CYR131FS	FL29410	R 51,402.31	The municipality utilized Komatsu SA for the strip, supply spare parts and repair of the defective front axle tilting hydraulic cylinder and replace pin and bushes of the Komatsu Grader G-655-3A, because the supplier is the manufacturer. The SCM could not obtain other quotes due to strip and repair process.

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24/02/2020	Pumpshop Africa	Repair Electrical Panels	WS29377	R 37,132.35	The municipality utilized Pumpshop Africa as the company arranged to strip and quote repairs on electrical panel at the Booster pump station and water treatment works in Excelsior. This is an emergency which started on 10 January 2020 causing water interruption.
24/02/2020	Pumpshop Africa	Repair GEC 300KW motor	WS29375	R 70,216.70	The municipality utilized Pumpshop Africa as the company arranged to strip and quote repairs on the GEC 300 Kw motor at Genoa Water Treatment Works Clear Pump Station in Ladybrand. Which burnt on 30/01/2020.
26/02/2020	Excelsior Construction G8	Hiring of Honey Sucker	Man26/02/2020	R 99,750.00	The municipality's honey sucker is out of service and that resulted in a backlog of cleaning septic in Excelsior. Therefore, we request that SCM invoke section 36 regulation to emergency procure for us honey sucker from available service provider for 21 days in order to clear the backlog.
04/03/2020	Ladybrand Toyota	Repairs DMD942FS	D5/3/247	R 12,961.14	The municipality utilized Toyota Ladybrand for strip, supply of spares & repair complete the front wheel bearings assembly, hub assembly, rotor skid control, deflector and axle nuts bearings of Toyota Quantum DMD942FS, because the supplier is the manufacturer, hence longevity and expected workmanship guarantee. The SCM could not obtain other quotes due to vehicle being stripped and quoted.
09/03/2020	CPAC Pumps & Valves	Electrical Equipment	WS29370	R 3,065.90	The municipality utilized C Pac Pumps & Valves as the company arranged to strip and quote repairs on the electrical panel at Platberg sewer pump station in Ladybrand. Which was installed on 28/01/2020
03/09/2020	Pumpshop Africa	KSB Centrifugal pump	WS29376	R 27,038.80	The municipality utilized Pumpshop Africa as the company arranged to strip and quote repairs on a KSB Centrifugal pump for Excelsior borehole booster pump station in Excelsior. This is an emergency which started on 20 January 2020 causing water interruption.
10/03/2020	B.R Dienste Group	Repairs DBP314FS	D3/3/233	R 3,447.00	The municipality BR Dienste Ladybrand for the strip, supply spares and repair the fuel pump, fuel line hoses and water separator filter pump of Landini Power farm tractor, DBP314FS. The SCM could not obtain other quotes

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					due to the strip and quotes due to the strip and quote process.
10/03/2020	Magnis Trucks Bloemfontein	Repairs DJX973FS	D3/3/236	R 4,228.78	The municipality utilized UD Trucks T/A Magnis Trucks for the supply of spares; rear wheels studs and bolts for the repair of refuse compactor Nissan UD 80 truck, reg no DJX973FS because the supplier is the manufacturer. Hence, SCM could not obtain other quotes because the supplier is the manufacturer and expected warranty on genuine parts and longevity.
10/03/2020	Magnis Trucks Bloemfontein	Repairs FHN638FS	D3/3/245	R 6,588.18	The municipality utilized UD Trucks T/A Magnis Trucks for the supply of spares, complete clutch kit, bearings and bushes for the repair of Nissan UD Trucks reg no FHN638FS because the supplier is the manufacturer. Hence, SCM could not obtain other quotes because the supplier is the manufacturer and expected warranty on genuine parts and longevity.
19/03/2020	Excelsior Construction G8	Hiring of Honey Sucker	R18/3/265	R 30,150.00	The municipality Honey Sucker is out of service and that resulted in a backlog of cleaning sceptic in Hobhouse. Therefore, we request that SCM invoke section 36 regulation to emergency procure for us Honey Sucker from available service provider for 5 days 5 days in order to clear the backlog.
24/03/2020	Be Sure Events Solutions (Pty) Ltd	PPE For Covid-19	SCM-COVID19-03	R 86,250.00	In the light of the lockdown, emergencies occur where normal procurement practices are impractical, and moreover there is high demand within short time frame for goods or services required and therefore the need to make special arrangements with service provider's with proven ability capacity to assist thus mitigating against dangerous, perilous, or risky situation, misery or defect.

### 3.3 Formal written price Quotation

Municipal Supply Chain Management Policy regulation 17(1) (c) state that: if it is not possible to obtain at least three quotations the reason must be recorded by the Procurement Unit and approved by the Chief Financial Officer or an official designated by the Chief Financial officer.

The reasons for not obtaining three quotations were recorded by the Procurement Unit and approved by the Chief Financial Officer for the Quarter Ended 31 March 2020.

PAYMENT DATE	COMPANY NAME	DESCRIPTION	REASON FOR NOT OBTAINING THREE QUOTATIONS	AMOUNT
				R0.00
		<b>TOTAL</b>		<b>R0.00</b>

### 3.4 Bid Committees

In terms of the Municipal Supply Chain Management Policy regulation 26(1)(a)(i)(ii)(iii). The Accounting officer is required to-

- (a) Establish a committee system for competitive bids consisting of at least
  - (i) bid specification committee.
  - (ii) a bid evaluation committee; and
  - (iii) a bid adjudication committee.

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Municipal Bid Committees established in terms of the above regulation consist of the following:

**Bid Specification Committee** consists of the following officials:

- (a) Mr. Tsepo Selepe – PMU Manager
- (b) Mr. Mmuso Motlounng – Assets and Fleet Manager
- (c) Mrs. Cecilia Tsoenyane – Disaster Coordinator
- (d) Mr. Gabriel Rabasothoana – Parks and Cemeteries Manager
- (e) Mr. Luyanada Vice – Environmental Manager
- (f) Mrs. Palesa Yangaphi – Accountant Income
- (g) Mrs. Motshewa Mofarasi – Assets Officer
- (h) Mr. Mokhele Mohapi – IT Manager
- (i) Mrs. Mannini Sixaxa – Supply Chain Clerk
- (j) Mr. Goutlwa Makhothi – Assets Officer
- (k) Mr. Lehlohonolo Mariti – IDP Manager

**Bid Evaluation Committee** consists of the following officials:

- (a) Mr. Tsepo Selepe – PMU Manager
- (b) Mr. Mmuso Motlounng – Assets and Fleet Manager
- (c) Mrs. Cecilia Tsoenyane - Disaster Coordinator
- (d) Mr. Gabriel Rabasothoana – Parks and Cemeteries Manager
- (e) Mr. Luyanada Vice – Environmental Manager
- (f) Mrs. Palesa Yangaphi – Accountant Manager
- (g) Mrs. Motshewa Mofarasi – Assets Officer
- (h) Mr. Mokhele Mohapi – IT Manager
- (i) Mr. Ramokopu Mahlomaholo – Building Inspector
- (j) Mr. Lehlohonolo Mariti – IDP Manager

**Bid Adjudication Committee** consists of the following officials:

- (a) Mr. Sello Nyapholi – Chief Financial Officer
- (b) Mr. Africa Masuku - Director Technical Services
- (c) Adv. Nthama Litabe– Director Corporate Services
- (d) Ms. Tshidi Lesoetsa – Director Community Services
- (e) Mrs. Lucia Lisenyane – Acquisition Officer
- (f) Mr. Khotso Pharoe – Supply Chain Manager

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### 3.5 Irregular expenditure

The municipality incurred irregular expenditure for the Quarter ended 31/03/2020. The report is attached

PAYMENT DATE	PAYMENT NUMBER	COMPANY NAME	DESCRIPTION	REASON FOR IRREGULAR EXPENDITURE	AMOUNT
				R0.00	
				<b>TOTAL =</b>	<b>R0,00</b>

### 3.6 Quotations advertised for 7 days

Quotations were advertised for seven days on the website and on local notice boards.

Bid Number	Description	Name of Service Provider	Amount	Appointment Date	Total Points
SCM 03/19/20	Supply and Delivery of office stationery for Mantsopa Local Municipality	Maqelepo Projects & Logistics	R 104,300.00	20/01/2020	100.00
SCM 15/19/20	Supply ,Delivery and Branding of EPWP	LE Gooseberry Enterprise (Pty) Ltd	R 130,360.00	20/01/2020	100.00

SCM 16/19/20	Supply and Delivery of Cleaning Material	Keamohetsoe General Trading	R 39,359.90	20/01/2020	100.00
SCM 20/19/20	Appointment of Qualified service provider(Electrician)for certificate of compliance for RDP houses in Dawiesville in Tweespruit	Squanter Electrical Contractor	R 98,600.00	24/01/2020	100.00
SCM 19/19/20	Appointment of Transport Service providers for IDP Representative forum 2020/21 for 80 people	Maqelepo Projects & Logistics	R 8,600.00	11/02/2020	100.00
SCM 18/19/20	Appointment of Catering Service provider for IDP Representative forum 2020/21 for 150 people	Maqelepo Projects & Logistics	R 18,000.00	11/02/2020	100.00
SCM COVID-19-03	Supply, Delivery and offloading of personal protection Equipment for Covid-19 for Mantsopa Local Municipality.	Be Sure Events Solutions (Pty) Ltd	R 86,250.00	24/03/2020	80.00
		<b>Total</b>	<b>R485, 469.90</b>		

**4. Formulation of the problem**

Regulation 6 of supply chain management regulations of 30 May 2005 stipulates as follows:

- 1) The Accounting Officer must, within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management policy to council for consideration.
- 2) The reports of a municipality must be made public in accordance with section 21A of the Municipal Systems Act

**5. Discussion of alternatives**

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No other alternative

6. **Motivation**

See recommendations under subparagraph 14.

7. **Organizational and Personnel implications**

No personnel implications.

8. **Financial Implications**

Details	Amount
Total amount of bids awarded for the quarter ended 31/03/2020	R0,00
Total amount of deviations for the quarter ended 31/03/2020	R721, 221.57
Total amount of goods/services procured using one quote for the quarter ended 31/03/2020	R0,00
Total amount of irregular expenditure for the quarter ended 31/03/2020	R0,00
Quotations advertised on the website and notice boards	R485, 469.90

9. **Communication implications**

(a) Submission to council.

10. **Legal Implications**

Regulation 6 of the municipal supply chain regulations of 30 May 2005

11. **Strategic Focus**

To comply with the strategy pertained in the Integrated Development

Plan i.e. Good Municipal Governance.

**12. Implementation Plan**

Submission to the EXCO and Council

**13. Other Departments/Bodies consulted**

Portfolio Head of Finance was consulted to submit this report to the office of the Municipal Manager

**14. Recommendation**

That council takes note of the report regarding the implementation of the municipal supply chain management policy

That the report be presented on quarterly basis

That the report be presented to the Mayor, EXCO and Council

That council approve the deviation for quarter three for 2019/20 Financial Year

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Submitted by: Mr. Khotso Pharoee (Supply Chain Manager)

Signature :  .....

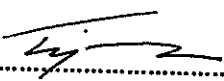
Date : 08/05/2020

Comment by: Mr. Sello Nyapholi (Chief Financial Officer)

Signature :  .....

Date : 20/05/12

Approved by: Mr. Thamae Masejane (Municipal Manager)

Signature :  .....

Date : 18/06/2020