

MANTSOPA
LOCAL MUNICIPALITY

09 OCT 2020



**CHAIN MANAGEMENT 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 30 SEPTEMBER 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 2020/21 (QUARTER ENDED 30 SEPTEMBER 2020)

Bid Number	Description	Name of Service Provider	Amount	Appointment Date	Address Of The Service Provider(s)
MLM-COVID-19-01	Ladybrand: Refurbishment and Upgrading Of Platberg Pump Station	Lokells Construction & Civils	R481,188.75	06 July 2020	56 7th Street, Ladybrand
MLM 15/19/20	Manyatseng: Boundary Extension and Formalization OF Cemetery	Ntsu Trading JV Cheetavect	R 8,381,034.11	07 August 2020	05 Kriek Avenue, Ladybrand
	Supply, Delivery and Off-Loading Of Water Treatment Chemicals For Mantsopa Local Municipality	Metsi Chem (Pty) Ltd	R690,290.62	07 August 2020	Unit 13 Jan Smuts Office Park, Boksburg
MLM 31/18/19	Appointment Of Attorneys (Panel) For Legal Matters Of Mantsopa Local Municipality "As When and Required Basis" For Two (02) Years Period	Raphela Attorneys	Fees will be based on Approved High Court Tariffs	21 August 2020	125 Thabo Mbeki Street, Polokwane
MLM 31/18/19	Appointment Of Attorneys (Panel) For Legal Matters Of Mantsopa Local Municipality "As When and	Molefi Attorneys	Fees will be based on Approved High Court Tariffs	21 August 2020	96 Nelson Mandela Drive, Bloemfontein

	Required Basis" For Two (02) Years Period				
MLM 31/18/19	Appointment Of Attorneys (Panel) For Legal Matters Of Mantsopa Local Municipality "As When and Required Basis" For Two (02) Years Period	Finger Attorneys	Fees will be based on Approved High Court Tariffs	21 August 2020	12 Hereen Street, Welkom
MLM 31/18/19	Appointment Of Attorneys (Panel) For Legal Matters Of Mantsopa Local Municipality "As When and Required Basis" For Two (02) Years Period	Rampai Attorneys	Fees will be based on Approved High Court Tariffs	21 August 2020	48 Gen Hertzog Street, Dan Pienaar, Bloemfontein
MLM 31/18/19	Appointment Of Attorneys (Panel) For Legal Matters Of Mantsopa Local Municipality "As When and Required Basis" For Two (02) Years Period	SMO Seobe Attorneys	Fees will be based on Approved High Court Tariffs	21 August 2020	135 St Andrew Street, Bloemfontein
MLM 31/18/19	Appointment Of Attorneys (Panel) For Legal Matters Of Mantsopa Local Municipality "As When and Required Basis" For Two (02) Years Period	RC Ishmail	Fees will be based on Approved High Court Tariffs	21 August 2020	204 Metropolitan Life Building, Bloemfontein.
MLM 31/18/19	Appointment Of Attorneys (Panel) For Legal Matters Of Mantsopa Local Municipality "As When and	MD Matlho Attorneys	Fees will be based on Approved High Court Tariffs	21 August 2020	06 Office Park 149 President Reitz,

	Required Basis" For Two (02) Years Period				Bloemfontein,9300.
MLM 31/18/19	Appointment Of Attorneys (Panel) For Legal Matters Of Mantsopa Local Municipality "As When and Required Basis" For Two (02) Years Period	Tshangana & Associates	Fees will be based on Approved High Court Tariffs	21 August 2020	107 Kellner Street, Bloemfontein
MLM 31/18/19-01	Appointment Of Debt Collector(s) For Two (02) Years For Mantsopa Local Municipality	Molefi Attorneys	The Commission will be 10% on Collection and 18% will be on Summons	18 September 2020	96 Nelson Mandela Drive, Bloemfontein
			R9,552 520.48		

3.2 DEVIATIONS

The following were procured through section 36 of the SCM regulation

DATE	VENDOR	DESCRIPTION	ORDER NO	AMOUNT	REASON
03/07/20	Q&H Sewage Services	Strip and Quote repairs	WS29244	R 54,304.15	The municipality utilized Q&H Water & Sewage Services (Pty) Ltd as the company arranged to strip and quote repairs on the Weir Warman pump at Genoa Water Treatment works, Caledon Raw Pump Station in Ladybrand. Which broke down on 22 March 2020.
09/07/20	John Williams Ladybrand	Repairs FXX644FS	FL29474	R 16,431.50	The municipality utilized John Williams Ladybrand for the strip, supply spare parts and repair complete the following; crankshaft radial seals at rear output and intake, replace oxygen sensors, upstream and downstream of fuel converter of Mercedes Benz, FXX644FS because the supplier is the manufacturer. The SCM could not obtain other quotations due to strip and quote process.

09/07/20	SA Airbrake & Truck	Repairs DVB053FS	FL29475	R 6,049.00	The municipality utilized SA Airbrake & Clutch for strip, supply and repairs of Faw Honey Sucker truck, registration number DVB053FS, Fuel pump and compression system on site. SCM could not obtain other quotes due to strip and repair.
09/07/20	Magnis Trucks	Repairs FHN645FS	FL29466	R 6,446.19	The municipality utilized UD Trucks T/A Magnis Trucks for the supply of the repair spares rear hub axle side shaft for the Nissan UD 35 Truckmen no FHN645FS because the supplier is the manufacturer. Hence, SCM could not obtain other quotations.
20/07/2020	Ladybrand Midas	Repairs FKZ049FS	FL29480	R 2,790.00	The municipality utilised Ladybrand Midas for the strip and supply spares, complete service kit and front brake pads for the vehicle registrations number FKZ049FS. Due to strip and quote, it is impracticable to obtain other quotes that is why the SCM obtained only one quote from Ladybrand Midas
24/07/2020	Thomson's Auto Body Repairs	Repairs: Sewer Jet	FL29477	R 3,013.00	The municipality utilised Thomsons Auto Body for the strip, supply spares and repair complete, the accident damaged left fender and axle springs of the Sewer Jet. Due to the strip and quote, the SCM could not obtain other quotations as the trailer had already been stripped to ascertain the defects.
29/07/2020	B.R Dienste Ladybrand	Repairs: Tractor	FL29472	R 9,332.20	The municipality utilised BR Dienste Ladybrand for strip, supply spares and repair the rear differential shaft pin, thrust washers, radiator and water separator filter pump of New Holland Tractor, BSZ117FS. The SCM could not obtain other quotes due to the strip and quote process.
31/07/2020	Q&H Sewage Services	Repairs: Gorman Rupp V4	WS29243	R 7,820.00	The municipality utilised Q&H Water & Sewage Services (Pty) Ltd as the company arranged to strip and quote repairs on the Gorman Rupp V4 rotating element for Hobhouse raw sewer pump station on site.
17/07/2020	Toyota Ladybrand	Repairs HDD587FS	FL29470	R 14,531.34	The municipality utilised Toyota Ladybrand for the strip, supply spares & repair; clutch disc assembly, Centre bearings, release bearings and flywheel of Toyota Avanza HDD587FS, because the supplier is the manufacturer. Hence, expected longevity and guarantee on genuine parts and workmanship.
07/08/2020	Metsi Chem	Supply, Delivery and Off-Loading Of Water Treatment Chemicals For Mantsopa Local Municipality	SCM 02/20/21	R690,290.62	The contract with the service providers supplying Municipality with the water treatment chemicals expired on the 12 April 2020, we were in Level 5 of the National Lockdown, it was impossible for the Municipality to do supply chain processes at that time. The Municipality advertised water treatment for once-off for shorter period than the normal of the 14 days, to procure water treatment chemicals
18/08/2020	Ladybrand Toyota	Repairs DBM398FS	FL29967	R 27,572.66	The municipality utilized Toyota Ladybrand for strip, supply spares & repair complete, front brake discs, Centre bearings, release bearings and fitment of brake pads including labour of Toyota Land Cruiser reg DBM398FS, because the supplier is the manufacturer. Hence, expected longevity and guarantee on genuine parts and workmanship. The SCM could not obtain

					other quotation.
19/08/2020	BR. Dienste Group	Repairs BSZ117FS	FL29959	R 8,922.80	The municipality utilized BR. Dienste Ladybrand for the strip, supply spares and repair the rear differential gearbox and case assembly, friction discs and gear oil replacement of New Hollard Tractor,BSZ117FS.The SCM could not obtain other quotes due to the strip and quotes processes.
03/09/2020	Ladybrand Toyota	Repairs DBM398FS	FL29967	R 27,572.66	The municipality utilised Toyota Ladybrand for the strip,supply spares & repair complete, front brake discs, Centre bearings, release bearings and fitment of brake pads including labour of Toyota Land Cruiser reg;DBM398FS 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.
08/09/2020	Q&H Water & Sewage (Pty) Ltd	Repairs on KSB ETA	WS29242	R 32,676.68	The municipality utilized Q&H Water & Sewage Services (Pty) Ltd as the company arranged to strip and quote repairs on the KSB ETA 100-400 pump at the Water Treatment Works, Raw Pump Station in Hobhouse. Which Seized on 01 July 2020.
08/09/2020	Cancor Trading 7 cc	Repair Broken pipes	WS29223	R 30,180.60	The municipality utilized Cancor Trading 7 cc as the company arranged urgently the following material to join PVC sewer pipe to Clay pipe for the 4 broken lines near WWTW in Ladybrand. This is an emergency because open trenches are very dangerous to be left open.
08/09/2020	Q&H Water & Sewage (Pty) Ltd	Repair Gorman Rupp V4	WS29225	R 37,030.00	The municipality utilized Q&H Water & Sewage Services (Pty) Ltd as the company arranged to strip and quote repairs on the Gorman Rupp V4 Rotating element at the Raw Sewage Pump Station in Hobhouse. Which broke on 18 May 2020.
14/09/2020	Ladybrand Toyota	Brake Kits DMD942FS	SP29963	R 18,557.02	The municipality used Toyota Ladybrand for the strip,supply of spares & repair complete the front brake assembly, clutch disc assembly, rear brake linings assembly, brake shoe kit and brake discs 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.

15/09/2020	OVK	Repairs DVX359FS	FL29958	R 7,980.45	The municipality utilised Toyota Ladybrand for the strip, supply of spares & repair complete the front wheel bearings assembly-belts replacement and pulley assembly and service complete Toyota Quantum DVX359FS because the supplier is the manufacturer, hence longevity and expected workshop guarantee. The SCM could not obtain other quotes due to vehicle being stripped and quoted.
15/09/2020	Magnis Trucks Bloemfontein	Repairs D8C844FS	FL27714	R 27,078.57	The municipality UD Trucks T/A Magnis Trucks for the supply of spares; rear and front axle wheel rims of Refuse Compactor Nissan UD 80 Truck reg no DBC844FS because the supplier is the manufacturer and the parts are genuine.Hence,SCM could not obtain other quotes because the supplier is the manufacturer and expected warranty on genuine parts and longevity.
16/09/2020	John Williams	Repairs FKJ123FS	FL27715	R 12,548.00	The municipality utilized John Williams Ladybrand for strip, supply spares and repair of front axle stabilizer links, induction pipes and perform a service 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.
17/09/2020	POWER GEAR CC	Repairs DBC844FS	FL27709	R 13,134.15	The municipality utilized Power Gear T/A Gearbox center Bloemfontein for strip and repair of the seized PTO gearbox of Refuse Compactor Truck reg DBC844FS because they are gearbox specialists. The SCM could not obtain other quotes due to the strip and quote of the gearbox.
18/09/2020	Thomson's Auto Body Repairs	Repairs DKG354FS	FL27716	R 42,499.98	The municipality utilized Thomsons Auto for the strip, supply spares and repair and or replace complete engine for GWM Bakkie,reg no:DKG354FS.Due to the strip and quote, the SCM could not obtain other quotations as the vehicles had already been stripped to diagnose and ascertain the defects.
18/09/2020	Excelsior Construction G8	Renting of Honey Sucker	FL29249	R 116,220.00	The municipality Honey Sucker is out of service and has resulted in a backlog of emptying septic tanks in Excelsior, Hobhouse and Tweespruit, which resulted in sewer spillages and exposing community to health hazards which may result in sewer borne diseases and environmental pollution. Therefore, we requested that SCM invoke section 36 regulation to emergency procure for us honey sucker from available service provider for 21 days to clear the backlog.
28/09/2020	Thomson's Auto Body Repairs	Repairs FZK049FS	FL27707	R 20,443.30	The municipality utilized Thomsons Auto for the strip, supply spares and repair complete, front axle; inner & outer tie rods, idler arms, stabilizer link and bar, brake master cylinder, front and rear brake systems,ect.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

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 30 September 2020.

PAYMENT DATE	COMPANY NAME	DESCRIPTION	REASON FOR NOT OBTAINING THREE QUOTATIONS	AMOUNT
		TOTAL		R0,00

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.

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 Motloun – Assets and Fleet Manager
- (c) Mrs. Cecilia Tsoenyane – Disaster Coordinator
- (d) Mr. Gabriel Rabasothoana – Parks and Cemeteries Manager
- (e) Mr. Luyanda 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 Cle
- (j) Mrs. Lucia Lisenyane – Acquisition Officer
- (k) Pule Hlahane – Legal and Admin Manager
- (l) Mr. Lehlohonolo Mariti – IDP Manager

Bid Evaluation Committee consists of the following officials:

- (a) Mr. Tsepo Selepe – PMU Manager
- (b) Mr. Mmuso Motloun – 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) Mrs. Lucia Lisenyane – Acquisition Officer
- (k) Mr. Pule Hlahane – Legal and Admin Manager
- (l) 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) Mr. Khotso Pharoe – Supply Chain Manager

3.5 Irregular expenditure

The municipality incurred irregular expenditure for the Quarter ended 30/09/2020. The report is attached

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

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	Address Of The Service Provider(s)
SCM17/19/20	Supply and Delivery of Cleaning Material	Kemohetsoe General Trading	R 55,060.90	22/07/2020	1917, Manyatseng, Ladybrand, 9745
SCM-COVID-19-02-20-21	Appointment of Accredited Service Provider for Fumigation of the Office Buildings for Mantsopa Local Municipality	Hohle Pest Control	R 151,038.00	03/08/2020	33749 Maferaka Street, Turflaagte, Bloemfontein, 9300
SCM-COVID-09-08-20-21	Appointment of Accredited Service Provider for Fumigation of the Technical Office Building for Mantsopa Local Municipality	Hohle Pest Control	R 33,480.00	11/08/2020	33749 Maferaka Street, Turflaagte, Bloemfontein, 9300
SCM-COVID-19-01-20-21	Supply and Delivery of forty (40) Infrared Thermometers For Mantsopa Local Municipality	Loeto Logistics	R 33,800.00	13/08/2020	1472 Blackthorn Street, Mandela View, Bloemfontein
SCM-COVID-19-03-20-21	Supply, Delivery and Branding of Five Hundred (500) cloth masks for Mantsopa Local Municipality	Hamisa Group Engineering	R 14,375.00	13/08/2020	Reid Plaza, 21 Reid Street, Westdene, Bloemfontein
SCM 23/19/20	Re-Renewal of Palo Alto PA-200 Firewall Software of Mantsopa Local Municipality	Ubuntu Technologies	R 18,312.70	09/09/2020	Reid Plaza, 21 Reid Street, Westdene, Bloemfontein
SCM 24/19/20	Re-Renewal of Anti-Virus Kaspersky Total Security for Business or Equivalent for Mantsopa Municipality	Ubuntu Technologies	R 59,703.68	09/09/2020	Reid Plaza, 21 Reid Street, Westdene, Bloemfontein
SCM 16/09/20	Appointment of Accredited Service Provider for Fumigation for Wastewater Treatment Plant (Ladybrand) and	Hohle Pest Control	R 36,828.00	16/09/2020	33749 Maferaka Street, Turflaagte, Bloemfontein, 9300

	Genoa Water Treatment Plant.				
SCM 04/20/21	Supply and Delivery of three (03) Laptops for Mantsopa Local Municipality.	Innovo Networks	R 68,357.02	18/09/2020	549, West Minister Avenue, Eersterust Ext 6, Pretoria
SCM-COVID-19-21	Appointment of Accredited Service Provider for Fumigation for Finance Department offices.	Lehae la Lefa	R 30,654.95	21/09/2020	30A, Ooster Street, Ladybrand, 9745
		Total	R501,610.25		

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

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 30/09/2020	R9,552 520.48
Total amount of deviations for the quarter ended 30/09/2020	R1,233 424.87
Total amount of goods/services procured using one quote for the quarter ended 30/09/2020	R0,00
Total amount of irregular expenditure for the quarter ended 30/09/2020	R0,00
Quotations advertised on the website and notice boards	R501,610.25

9. Communication implications

- (a) Submission to council.

10. Legal Implications

- (b) 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

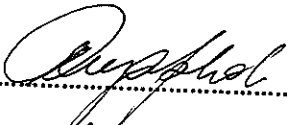
That council approve the deviation for quarter one for 2020/21 Financial Year

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

Signature : 


Date : 06/10/2020

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

Signature : 

Date : 20/10/07

Approved by: Mr. Thamae Masejane (Municipal Manager)

Signature : 

Date : 09/10/2020