

MANTSOPA

LOCAL MUNICIPALITY

12 JAN 2021

SUPPLY
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 31 DECEMBER 2020

1. PURPOSE

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

2. SUMMARY

The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor and mayor will submit the report to the 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.

	Years				
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Impemelelo Consulting Engineers- Roads& Storm-Water and Sanitation	ECSA Fees Guidellnes will be Applicable	24 Nov 2020	60 Roberts Road,Clarendon Pietermaritzburg KwaZulu-Natal 3201
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	IX Engineers- Roads& Storm-Water and Sanitation	ECSA Fees Guidellnes will be Applicable	24 Nov 2020	31 Drive Bellville Central Western Cape 7530
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Bigen Africa- Roads& Storm-Water and Sanitation	ECSA Fees Guidellnes will be Applicable	24 Nov 2020	Innovation Hub Persequor Gauteng 0087
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Proper Consulting- Roads& Storm-Water and Sanitation	ECSA Fees Guidellnes will be Applicable	24 Nov 2020	PO Box 26415 Langenhovenpark Bloemfontein 9330
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Baithusi Consulting- Roads& Storm-Water and Sanitation	ECSA Fees Guidellnes will be Applicable	24 Nov 2020	154 Zastron Street Westdene Bloemfontein 9301
	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Melokuhle Management - Roads& Storm-Water and Sanitation	ECSA Fees Guidellnes will be Applicable	24 Nov 2020	3 Brill Street Westdene Westdene Bloemfontein 9301

MLM 01/20/21	Consulting Engineers For	water and Sanitation	Guidelines will be Applicable		
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	Period Of Two Years				
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	BVI- Roads & Storm- Water and Sanitation	ECSA Fees Guidelines will be Applicable	24 Nov 2020	17 President Steyn Avenue Bloemfontein 9301
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Makhaotse, Narasimulu & Associates- Roads & Storm- Water and Sanitation	ECSA Fees Guidelines will be Applicable	24 Nov 2020	84 Cleland Road Hayfields KwaZulu-Natal 3201
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Nakeni Projects- Roads & Storm- Water and Sanitation	ECSA Fees Guidelines will be Applicable	24 Nov 2020	39a President Boshoff Street Bethlehem 9700
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Silver Solutions- Roads & Storm- Water and Sanitation	ECSA Fees Guidelines will be Applicable	24 Nov 2020	10 Hasting Street Wilgepark 9880
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Engineering Aces- Roads & Storm- Water and Sanitation	ECSA Fees Guidelines will be Applicable	24 Nov 2020	68 Dan Plenaar Bloemfontein 9301
	Appointment Of Professional Service	Leko Engineering		24 Nov 2020	30 Blackway Road Mthata Central Eastern Cape 5100

MLM 01/20/21	Provider(s) Panel For Consulting Engineers For	Consulting- Roads& Storm- Water and Sanitation	ECSA Fees Guidelines will be Applicable		
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	Period Of Two Years				
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Metsweding Consulting - Roads& Storm- Water and Sanitation	ECSA Fees Guidelines will be Applicable	24 Nov 2020	15 Platinum Sunrise Street Navalsig Bloemfontein 9301
MLM 01/20/21	Appointment Of Professional Service Provider(s) Panel For Consulting Engineers For Period Of Two Years	Soleng Consulting- Roads& Storm- Water and Sanitation	ECSA Fees Guidelines will be Applicable	24 Nov 2020	23 Orchid Street Welkom 9459
MLM 12/20/21	Ladybrand Reservior and Pipeline	Mofomo Construction (Pty) Ltd	R12, 999 981.23	24 Nov 2020	6.13 th Voorspoed Welkom 9459
MLM 13/20/21	Tweespruit: Commissionin g Of Grey- Water System In Borwa	Project Pioneers	R1,900 366.00	24 Nov 2020	209 Park Avenue Bloemfontein 9300
MLM 14/20/21	Installation of Water Meters, Toilet Retrofit, Zonal Meters and Pressure Reduction Valves for Mantsopa Local Municipallity (Hobhouse).	Excelsior/Vision World JV	R1, 761 607.38	24 Nov 2020	43 Steyn Street Excelsior 9760
	Cleaning of Bulk Sewer Pipeline Inspection by			24 December 2020	36 Monte Vedo Pentagon Park Bloemfontein 9300

MLM WD 01/20/21 (Urgency and Emergency)	Inspection by CCTV Camera and submitting Report "As When and Required Basis" For Six	Bene-Tech	R879,200.00 (Estimates)	
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	Months Period for Mantsopa Local Municipality.			
		TOTAL	R18,465 614.53	

3.2 DEVIATIONS

The following were procured through section 36 of the SCM regulation

DATE	VENDOR	DESCRIPTION	ORDER NO	AMOUNT	REASON
02/10/20	Pumpshop Africa	KSB 65-250 Centrifugal pump		R 16,776.84	The Municipality utilized Pumpshop Africa as the company arranged to strip and quote repairs to the standby KSB 65-250 centrifugal pump for Hobhouse WTW clear pump station.
02/10/20	Pumpshop Africa	SF65-250 bare shaft centrifugal pump		R 34,506.13	The Municipality utilized Pumpshop Africa as the company to strip and repairs on the SF65-250 bare shaft centrifugal pump for Hobhouse WTW clear pump station. This pump seized on the 25 September 2020.
03/10/20	Magnis Trucks	Repairs DJX973FS	FL27735	R 2,094.96	The municipality utilized UD Trucks T/A Magnis Trucks for the supply of spares; front brake pipes of Nissan UD 80 Truck, Reg number DBC844FS because the supplier is the manufacturer. Hence, SCM could not obtain other quotes because the supplier is the manufacturer and expected warranty on genuine part and longevity.
07/10/20	SA Air Brake & Clutch	Repairs DVB053FS	FL27733	R 35,708.17	The municipality utilized SA Airbrake & Clutch for the strip, supply spares and repair complete engine; injector sleeves, injector pump, replace fuel filter, tappet cover and recondition injector tips of Faw Honey Sucker Truck; registration number DVB053FS. SCM could not obtain other quotes due to strip and repair.
					The municipality utilized Q&H Water Services (Pty) Ltd as the company arranged to strip and quote repairs

12/10/20	Q&H Water & Sewage Services	Repairs on KW motor	WS29227	R 72,427.23	on the 132Kw Fenner motor for Ladybrand town pump station. This motor burnt on the 26 May 2020.
20/10/2020	Hohle Pest Control	Appointment of Accredited Service Provider For Fumigation Of the Finance, HR, Corporate Offices Building For Mantsopa Local Municipality	CS 27982	R 80,352.00	Three service providers were invited through invitations of the e-mails; however, two service providers were responded to our invitation. The quotation request was not advertised for seven days in Municipal website and notice boards, because one of

					the Employee was infected by Corona Virus and it was impossible to follow normal procurement processes on such instances.
28/08/2020	Trentyre	Re-treading old tyres	FL29138	R 6,808.00	The municipality utilized Trentyre for the re-treading of old tyre casings for the truck UD40 registration number FHN644FS because the supplier is the tyre manufacturer.
28/10/2020	Baseline Security	Monitoring of cameras and alarms	SP28687	R 3,960.00	The municipality utilized Baseline security for monitoring of cameras and alarms at 3 Casa Mia flats sixth street Ladybrand. We could not obtain three quotations from other service providers because Baseline Security was appointed for installation of cameras and alarms. Therefore, it is impossible to follow normal procurement processes on such instances.
04/11/20	Pumpshop Africa	Repairs Centrifugal Pump	WS29224	R 14,770.60	The municipality utilized Pumpshop Africa as the company arranged to strip and quote repairs on the KSB ETA 80-400 centrifugal pump for Hobhouse Clinic pump station. This pump broke on the 07 June 2020.
05/11/2020	Hohle Pest Control	Appointment of Accredited Service Provider For Fumigation Of the Corporate Offices Building For Mantsopa Local Municipality	C528689	R 43,902.00	Three service providers were invited through invitations of the e-mails. The quotation request was not advertised for seven days in Municipal website and notice boards, because one of the Employee was infected by Corona Virus and it was impossible to follow normal procurement processes on such instances.
06/11/20	Magnis Trucks Bloemfontein	Repairs DJX973FS	FL27735	R 2,094.96	The municipality utilized UD Trucks T/A Magnis Trucks for the supply of spares; front brake pipes of Nissan UD 80 truck, reg number DBC844FS 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.
06/11/20	SA Airbrake & Truck	Repairs DVB053FS	FL27733	R 35,708.17	The municipality utilized SA Airbrake & Clutch for the strip, supply spares and repair complete engine, injector sleeves, injector pump, replace fuel filter, tappet cover and recondition injector tips of FAW honey sucker truck reg no: DVB053FS. SCM could not obtain other quotes due to strip and repair.

12/11/20	Pumpshop Africa	Repairs pump	TW29269	R 43,702.07	The municipality utilized Pumpshop Africa as the company arranged to strip and quote repairs on the Thaba Phachoa water pump which seized early this year. This is causing water shortage especially at sewer Delaan. Hence we deviated.
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16/11/2020	Thomson's Auto Body Repairs	Repairs DJX973FS	FL27780	R 2,998.88	The municipality utilized Thomson's Auto for the strip and repair the transmission pump and replace hoses with fittings of the refuse compactor truck, DJX973FS. The SCM obtained only one quote due to strip and quote as the vehicle had already been stripped for diagnostic and quote.
26/11/2020	Cancor Trading 7cc	Fire 65mm fire hydrants	WS29222	R 4,069.83	The municipality utilized Cancor Trading 7 cc as the company arranged to supply urgently two 65mm underground fire hydrant that is leaking water into the yards at C/O Botha/Dan Pienaar street and C/O Joubert/sixth street. This is an emergency because it is causing damage to concrete wall and house foundations.
26/11/2020	Q&H Sewage Services (Pty) Ltd	Repairs KSB 150/5 Pump	WS29299	R 102,292.50	The municipality utilized Q&H Sewage Services (Pty) Ltd as the company arranged to strip and quote repairs on the WKLN KSB 150/5 Multistage pump for Ladybrand Genoa WTW clear pump station. This pump seized on the 23 September 2020.
23/11/2020	OVK	Repairs DVX 359FS	FL27782	R 11,321.69	The municipality utilized Toyota Ladybrand for strip, supply of spares & repair completes the power motor assembly, front brakes discs and pads and window regulator assembly of Toyota Quantum DVX359FS because the supplier is the manufacturer, hence longevity and expected workmanship guarantee.
23/11/2020	Pumpshop Africa	Refurbishment KSB Pump	WS27772	R 16,776.84	The municipality utilized Pumpshop Africa as the company arranged to strip and quote repairs to the standby KSB 65-250 centrifugal pump for Hobhouse WTW clear pump station.
23/11/2020	Pumpshop Africa	Repairs Bare Pump Shaft	WS27771	R 34,506.13	The municipality utilized Pumpshop Africa as the company arranged to strip and quote repairs on the SF65-250 bare shaft centrifugal pump for Hobhouse WTW clear pump. The pump seized on the 25 September 2020. Hence, there is no need to ask for quotes.
					The municipality utilized Q&H Water Services (Pty) Ltd as the company arranged to supply and install a KSB FTA 100-400 pump at the water

27/11/2020	Q&H Sewage Services (Pty) Ltd	Install KSB ETA 100-400	WS29241	R 61,801.00	with 200 ltr pump at the water treatment works, Raw Pump station in Hobhouse. Which seized on 01 July 2020. This is an emergency because residents in Hobhouse and Dipefaneng are without water.
12/12/2020	OVK	Repairs DMD942FS	FL25862	R 12,014.29	The municipality utilised Toyota Ladybrand for the strip, supply of spares & repair completes the front axle arms assembly of Toyota Quantum DMD942FS, because the supplier is the manufacturer hence the longevity and expected workmanship guarantee.

15/12/2020	Ladybrand Toyota	Repairs HDD587FS	FL25864	R 7,618.91	The municipality utilised Toyota for the strip, supply spares & repair complete the disc clutch assembly, clutch cover assembly, release fork and bearings assembly of Toyota Avanza HDD587FS because the supplier is the manufacturer. Hence expected longevity and expected warranty of parts and workmanship. The SCM could not obtain other quotes therefore.
15/12/2020	Thomson's Auto Body Repairs	Towing HDB418FS	FL25865	R 15,728.95	The municipality utilised Thomson's Auto for towing from breakdown site, strip, supply spares, and repair complete, fuel pump, fuel tank removal, oil filter, air filter, spark plugs and lubricants and service the vehicle registration number HDB418FS, Nissan NP300 Bakkie.
17/12/2020	Thomson's Auto Body Repairs	Repairs FHN644FS	FL27783	R 7,747.55	The municipality utilised Thomson's Auto for the strip, supply spares and repair complete the auto electrical defects including replacement of flasher unit and head lights for vehicle registration number FHN644FS.
17/12/2020	Thomson's Auto Body Repairs	Repairs DBP314FS	FL27758	R 8,688.25	The municipality utilised Thomson's Auto for the strip, supply spares and repair complete the alternator, fanbelts, electrical wiring and battery replacement of Landini Power farm tractor, DBP314FS. The SCM could not obtain other quotes due to strip and quote process.
18/12/2020	John Williams Motors	Repairs FXX644FS	FL25867	R 21,883.20	The municipality utilised John Williams Ladybrand for strip, supply spare parts and repair complete the following: replace oxygen sensors, upstream and downstream of fuel converter and update control unit, replace front wheel disks, lambda probes and tyres fittings and balancing of Mercedes Benz, FXX644FS because the supplier is the manufacturer.
					The municipality utilised Toyota ladybrand for the strip, supply of spares & repair completes the front retainer cushion assembly, links left and right wheel of Toyota Quantum DMD942FS, because the supplier is the manufacturer, hence longevity

21/12/2020	Ladybrand Toyota	Repairs DMD942FS	FL25872	R 3,837.90	and expected workmanship guarantee.
22/12/2020	Pump link Supply & Repairs	315kw 4 Pole 400V Motor	WS26686	R 217,695.00	The municipality utilised Pump Group SA TA Pump link as the company arranged to supply and deliver a 315 kw 4 Pole 400V Motor at Genoa Water Treatment works. This is an emergency because the current standby motor cannot be repaired in time, which will cause water shortage to all residents in Ladybrand, Mauersnek, Platberg and Manyatseng if the current motor should fail.

24/12/2020	Bene-Tech	Cleaning of Bulk Sewer Pipeline Inspection by CCTV Camera and submitting Report "As When and Required Basis" For Six Months Period for Mantsopa Local Municipality	MLM WD 01/20/21	R879.200.00 (Estimates)	There was a sewer spillage and blockage of sewer lines all over Manyatseng and Ladybrand town. It poses health hazardous and Environmental risk to the Community of Manyatseng and Ladybrand. SCM Division Invited Four Service Providers through emails and by sending Term Of References because it was festive season and the service was requested urgently it was impossible to follow normal procurement process on such matter, however Municipality Bid Adjudication Committee sat on the matter and made recommendation to the Municipal Manager.
			TOTAL	R1,800 992.05	

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 December 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 Motloung – 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 Motloung – 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 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 Pharo – Supply Chain Manager

3.5 Irregular expenditure

The municipality incurred irregular expenditure for the Quarter ended 31/12/2020. 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)
SCM 29/19/20	Re-Supply, Delivery and Branding of Protective Clothing for three Traffic officers of Mantsopa Local Municipality	Supplycor cc	R 29,224.20	02/11/2020	322 Design Bouvevard; Northlands Deco Park, Hoogland EXT 35 Randburg 2160
SCM 28/19/20	Re-Supply, Delivery and Branding of Protective Clothing for 11 Security Officers of Mantsopa Local Municipality	Maqelepo Projects & Logistics	R 58,907.12	02/11/2020	56 7th Street; Ladybrand 9745
SCM 08/20/21	Supply and Delivery of Sewer Unblocking Equipment for Mantsopa Local Municipality.	TK Mat Holdings	R 27,273.34	23/11/2020	36 Loop Street; Ladybrand 9745
		TOTAL	R115,404.66		

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 31/12/2020	R18, 465 614.53
Total amount of deviations for the quarter ended 31/12/2020	R1,800 992.05
Total amount of goods/services procured using one quote for the quarter ended 31/12/2020	R0,00
Total amount of irregular expenditure for the quarter ended 31/12/2020	R0,00
Quotations advertised on the website and notice boards	R115,404.66

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 two for 2020/21 Financial Year

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

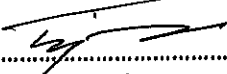
Signature : 

Date : 08/01/2021.

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

Signature : 
Date : 21/01/08

Approved by: Mr. Thamae Masejane (Municipal Manager)

Signature : 
Date : 12/01/2021