

# **OVERBERG DISTRICT MUNICIPALITY**



## **SUPPLY CHAIN MANAGEMENT ANNUAL REPORT JUNE 2021**

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**ANNUAL SUPPLY CHAIN MANAGEMENT REPORT BY THE ACCOUNTING OFFICER  
TO THE MAYOR AND COUNCIL FOR THE PERIOD ENDING JUNE 2021**

**A. PURPOSE OF REPORT**

The purpose of this report is to report to the Mayor and the Council in terms of section 6(2) and 6(3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the year ending June 2021.

**B. OVERSIGHT ROLE OF COUNCIL**

6. (1) The council must maintain oversight over the implementation of this supply chain management policy.
- (2) For the purposes of such oversight the accounting officer must –
  - (a) (i) within 30 days of the end of each financial year, submit a report on the implementation of the supply chain management policy of the municipality and of any municipal entity under its sole or shared control, to the council of the municipality,
  - (ii) whenever there are serious and material problems in the implementation of the supply chain management policy, immediately submit a report to the council.
- (3) 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
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

**C. COMPLIANCE**

The SCM unit was established during May 2008 and a Head of SCM was appointed on 1 October 2008. The Manager: SCM position became vacant on 01 August 2018 and the

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Senior Administrator was acting as the SCM head until 28 February 2019. A new appointment was made on 01 March 2019.

Bid committees are functioning well. Documents have been developed in respect of SCM processes for compliance in terms of the SCM policy for the procurement of goods and services.

Monthly and quarterly reports have been submitted in respect of procurement of goods and services in terms of each required regulation of the Supply Chain Management Policy of the Council. The SCM policy has been reviewed and performance evaluations on service providers were done on a bi-annual basis.

#### **D. PROGRESS**

The following supply chain management requirements have been finalized:

- All SCM related policies were reviewed.

The SCM order process moved over to the electronic system and departments do their requests directly on the SAMRAS system for all procurement under R 30 000. Currently the municipality are in the process to move over to the SAMRAS web base system which will also improve the SCM contract management and administration.

Reports of all awards made above R100 000 have been reported on National Treasury's CRA system.

Stocktaking was done monthly, and a final stocktaking was done on 30 June 2021 for the end of the financial year.

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## E. DEVIATIONS

The following deviations must be included as a note in the financial statements:

### **First quarter (July 2020 to September 2020)**

- Emergency procurement	R	-
- Procurement from sole providers	R	31 573.25
- Other exceptional cases	<u>R</u>	<u>117 336.58</u>
<b>Total</b>	<u>R</u>	<u>148 909.83</u>

### **Second quarter (October 2020 to December 2020)**

- Emergency procurement	R	-
- Procurement from sole providers	R	-
- Other exceptional cases	<u>R</u>	<u>1 006 686.50</u>
<b>Total</b>	<u>R</u>	<u>1 006 686.50</u>

### **Third quarter (January 2021 to March 2021)**

- Emergency procurement	R	104 611.55
- Procurement from sole providers	R	-
- Other exceptional cases	<u>R</u>	<u>9 418.50</u>
<b>Total</b>	<u>R</u>	<u>114 030.05</u>

### **Fourth quarter (April 2021 to June 2021)**

- Emergency procurement	R	-
- Procurement from sole providers	R	-
- Other exceptional cases	R	-
- <b>Total</b>	<b>R</b>	<b>0</b>

### **Summary for the year 2020/2021**

Emergency procurement for the year:	R	104 611.55
Procurement from sole providers for the year	R	31 573.25
Other exceptional cases	<u>R</u>	<u>1 133 441.58</u>
<b>Total deviations for the year</b>	<u>R</u>	<u>1 269 626.38</u>

**F. OBJECTIONS, COMPLAINTS, DISPUTES OR APPEALS**

No successful objections, complaints, disputes, or appeals were received during this year.

**G. CONCLUSION**

The review of the SCM Policy was approved by Council on 25 May 2021. Upon review of the budget related policies, no further changes were made to the SCM Policy.

The performance of the Supply Chain Management Unit has developed into a well functional unit despite the challenges that were faced since its existence. Ongoing training is still necessary for all officials who deal with supply chain management issues. The officials are committed to better their performance in the coming year from lessons learned during this financial year.


**REPORT PREPARED BY: MRS D KAPOT-WITBOOI: MANAGER: SCM**

Signature  Date 20.07.2021

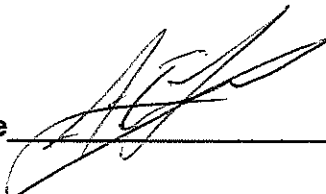
**REPORT APPROVED BY: MR. N KRUGER: CFO**

Signature  Date 23 July 2021

**REPORT SUBMITTED BY: MR. D. BERETTI: MUNICIPAL MANAGER**

Signature  Date 27 July 2021

**APPROVED BY: MR A FRANKEN: EXECUTIVE MAYOR**

Signature  Date 02/08/21

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