



OVERBERG DISTRICT MUNICIPALITY


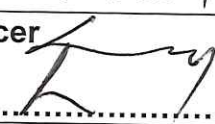
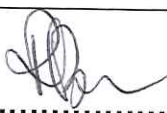
TO : MUNICIPAL MANAGER
 FROM : MANAGER: SUPPLY CHAIN MANAGEMENT
 DATE : 10 APRIL 2024

SUPPLY CHAIN MANAGEMENT QUARTERLY REPORT FOR THE PERIOD ENDING MARCH 2024


PURPOSE OF REPORT For Council to take note of the deviations approved for the quarter January – March 2024 and the reasons thereof.

Attached please find:

1. SCHEDULE A Deviations: January – March 2024
2. SCHEDULE B Final awards made by the adjudication committee for the quarter.
3. SCHEDULE C SCM Regulation 50: disputes, objections, complaints and queries / General

Prepared by	Manager SCM Ms D Kapot-Witbooi..... 
Date	10.04.2024
Reviewed by	Chief Financial Officer Mr N Kruger 
Date	12.4.2024
Approved by	Municipal Manager Mr R Bosman 
Date	2024/04/12

Final Submission

Submitted to	Executive Mayor Alderman Andries Franken 
Date	15/04/2024

SCHEDULE A

1. Report on Regulation 36(2): Deviations

Hereunder, please find the schedule of awards where deviations occur with the reasons for the deviations.

SUPPLY CHAIN MANAGEMENT DEVIATIONS ITO THE SCM REGULATIONS & SCM POLICY FOR THE PERIOD JANUARY – MARCH 2024									
Deviation No	Directorate / Department	Project Title	Name of Supplier	Amount	Incl / Excl	Finding for Deviation	Responsible Official	Reasons for Deviation	Order No
➤ No deviations for the month of January 2024									
D01/02	Emergency Services	Repair / Replace Radio Repeater	Altron Nexus	R40 857.86	Incl.	Emergency	R Geldenhuys	On 20 December 2023, technicians from Altron were sent to investigate a faulty repeater at Salmonsdam site as there were problems with communications in the area. The technicians found the repeater to be broken. The ODM was informed by Altron who holds the radio repair tender, that parts for the repeater is difficult to obtain as the range has been discontinued. They could also not guarantee any sort of time frame as it is holiday season and factories are closed. With possible repair cost and replacement cost not far removed from each other and primarily because the emergency services cannot be without radio communications in peak of holiday and fire season it was decided to replace the repeater.	166 653
D03/02	Finance	Long Term Financial Plan Update	INCA Portfolio managers	R120 000.00	Excl.	Exceptional case	W Crafford	See motivation attached.	166 710
D04/02	Resorts	Temporary Guard House	Gray Security Solutions	R9 200.00	Incl.	Emergency	C Cloete	Die Dam was affected by the fires on 29 January 2024. As a direct result of the fire the guard house was affected. The door burnt off and cannot be attached again because of the extent of the damages. The replacement of the guard house is an emergency due to the fact that it is populated 24/7 and is currently not safe for the security personnel to use.	166 692

D05/02	Roads	Conference Venue	The Caledon Hotel and Spa	R64 320.00	Incl.	Exceptional case	M Van Eeden	166 620
D01/03	Resorts	Replacement of 16mm X 4 Core SWA Cable	Simons Electrical	R136 250.00	Incl.	Emergency	C Cloete	166 833
D02/03	Corporate Services	Functional Leave System	Pay Day Software Systems (Pty) Ltd	R 5 160.05	Incl.	Exceptional Case	Z Feni / V Zeeman	TBC

B.I Annual meetings with 5 X DM's and Provincial Department of Infrastructure are held on a rotational basis between the 5 X DM's. Overberg District Municipality to host the meeting from 28 February 2024 to 01 March 2024. The official process (RFQ) to acquire a suitable service provider was advertised, no quotations were received.

Die Dam was affected by a fire that broke out on Monday, 29 January 2024. As a direct result of the fire the 16mm X 4 Core SWA Cable burnt out. This needs to be replaced urgently since it is causing dissatisfaction with customers since the ODM had to cancel their bookings and are losing revenue which is generated by the hiring of the chalets. This cable supplies electricity to the chalets and pump room. The fire was an unforeseen occurrence which caused damage which is affecting the operations of the resort. The ODM needs to urgently resolve these issues, which include the cable so the ODM can be operationally sound to provide a seamless service. To follow a formal quotation for the cable would be detrimental for both revenue and customer service and satisfaction.

The tender T08-2023/24, implementation of functional leave system for the Overberg District Municipality was advertised on 08 November 2023 and closed on Friday 08 December 2023. On Wednesday 06 March 2024 a bid adjudication committee was held to finalise the procurement process and award the tender to a service provider in order to have a functional leave system and to comply with the Main Collective Agreement. Unfortunately, due to a material incompleteness in the functional evaluation requirements in the specifications, the panel did not award to any of the bidders and cancelled the tender. Therefore, in order for the continuance of the system, a deviation for the extension of the SLA is required for a further period of three (3) months to be compliant. 01 April 2024 – 30 June 2024

COMPLIANCE/PROGRESS

SCHEDULE B

The SCM unit was established during May 2008 and a Head of SCM was appointed on 1 October 2008. Bid committees have been established and are functioning well. New members have been appointed. Monthly 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. **(Reports are available on request.)** Bid committee meetings have been minuted and submitted on a monthly basis. Hereunder, please find the schedule containing the final awards made by the adjudication committee for the quarter.

Performance ratings on service providers have been done and no complaints of bad performances by service providers have been received by the SCM unit.

I. T05-2023/24: LEASE OF SHOP AT DIE DAM FOR THE PERIOD ENDING 30 JUNE 2026

Awarded To: VERONICA DE VILLIERS
Amount: Monthly Rental: R300
Annual increase of 10%
Reason for Award: Compliant bidder
BBBEE: Level 4
Date Awarded: 14 February 2024

II. T06-2023/24: SUPPLY AND DELIVERY OF STEP OUTS/STATION WEAR AND VARIOUS ARTICLES OF HUMAN PROTECTIVE CLOTHING FOR THE FIRE AND RESCUE SERVICE AS WELL AS WILDFIRE INTERFACE DEPARTMENTS FOR THE PERIOD ENDING 30 JUNE 2026

Awarded To: FG UNIFORMS CC AND
SPARKS AND ELLIS (PTY) LTD
Amount: Various
Reason for Award: Scored the Highest Preferential Points / Compliant
BBBEE: Level 1
Date Awarded: 14 February 2024

III. Q09-2023/24: SUPPLY AND DELIVERY OF NEW TYRES

Awarded To: LANGE BERG BANDE (PTY) LTD t/a SUPA QUICK
SWELLENDAM
Annual Rent Income: R133 480.00
Reason for Award: Scored the highest preferential points
BBBEE: Level 4
Date Awarded: 05 March 2024

SCHEDULE C

SCM REGULATION 50: DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES

Submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

TENDER NUMBER	TENDER DESCRIPTION	DATE AWARDED	TENDERERS	COMMENTS
None Received				

GENERAL

The database of accredited service providers has been updated and captured on the SAMRAS system and the SCM unit is busy on a daily basis to register new service providers on the ODM database; assist suppliers to register on the CSD and obtain new tax clearance certificates and municipal accounts.

A checklist has been implemented before placing of orders as a control mechanism in order to comply with the SCM policy and regulations.

The supply chain management unit consists of the following officials working at the road's depot:

- Ms. D Kapot-Witbooi Head SCM
- Mr J Leonard Accountant: Asset Management
- Vacant Accountant: SCM
- Mr. J Harmse Administrator: SCM
- Ms. B Brighton Principal Clerk: SCM Procurement
- Vacant Principal Clerk: SCM Database
- Vacant Principal Clerk: Assets & Stores
- Mr. C Abrahams Storekeeper (Bredasdorp)
- Mr. Vuyolwethu Nkanunu Storekeeper (Caledon)

Mr Jacques Harmse was appointed as Administrator: SCM from 01 March 2024; subsequently the position of Accountant: SCM and Principal Clerk: SCM Database has become vacant.

Ms C Reid is no longer part of the SCM department and has accepted a position at Payroll.

One finance intern, Mr Athenkosi Plaatjie is currently placed in SCM to assist with various tasks.

Two additional persons were appointed on 01 March 2024 to assist with the new PPR Regulations process, Carla Jones and Charné Roberts.

Ms. D Kapot-Witbooi needs to complete two (2) additional unit standards of the MMC training and Mr Jacques Harmse is currently doing his MMC competency training. Staff members need to be trained internally on supply chain management.

D03/02 – MOTIVATION

As per the Overberg District Municipality's Long-Term Financial Plan policy, its Long-Term Financial Plan needs to be reviewed and amended continuously to determine the sustainability and going concern of the municipality hence to ensure service delivery be delivered effective and efficiently. The initial 10-year plan and framework setting for ODM was developed by INCA and reviewed and maintained to date by the service provider.

The plan needs to be reviewed and reassessed due to the priorities set by Council. Continuous assessment and maintenance is required especially in the fast changing economic climate in the country and the positioning of the municipality in the environment. One such project that requires a revised plan as per the Councils IDP is the developing of the landfill site with the build of a new cell. Resources in funding for this project is a matter of paramount importance to ensure risks are limited.

Resource generating opportunities is also being investigated which might require or impact the financial situation as per the Councils strategic objectives.

DEVIATION REASONS:

1. The review's affordability by INCA, since not all aspects of a plan need to be re-established by the current service provider. Various areas will remain status-quo in the greater master plan in comparison to a new plan that will have to be redesigned from a zero base in all fields to develop and conceptualising a full plan, hence the costs will be lower by updating than redesigning.
2. The benefit of institutional and technical knowledge by INCA obtained during the years already exist and promotes the review rather than a new plan creation. Overall, a monetary and time saving cost will materialise giving INCA an advantage overall with the exercise.
3. Asking a review proposal on a normal procurement proposal will be impractical and impossible for other suppliers since they would not have the current information INCA possesses to render the service required.
4. Conducting standardises comparisons from previous assessments towards updated assessments will also be more realistic and validated comparing the same plan framework setting than two different plans assessing the progress or risk areas identified in the plans.
5. This function is also performed by an independent external service provider for the municipality to provide more assurance and to be assessed towards internal operations and management providing another reassurance perspective for the municipality on key findings.