

# **QUARTERLY AND YEARLY SUPPLY CHAIN MANAGEMENT REPORT BY THE ACCOUNTING OFFICER TO THE MAYOR AND COUNCIL (JUNE 2009)**

## **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 quarter and year ending June 2009.

## **B. COMPLIANCE**

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. Documents have been developed and circulated to all section heads in respect of SCM processes for compliance in terms of the SCM policy for the procurement of goods and services. 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. Bid committee meetings have been recorded and submitted on a monthly basis.

## **C. PROGRESS**

The following supply chain management requirements have not been finalized:

- Delegations allowing for the authorization and signing of all requisitions; processing and authorizing orders and approving invoices.
- Delegations allowing for power and duties associated with contract administration and management.
- Delegations for the approval of deviations from the supply chain management regulations and the ratification of minor breaches of procurement processes.

Two vacant positions have been advertised in June 2009 and will be filled shortly in order to finalize the implementation of the supply chain management organizational structure.

Intervention training by Provincial Treasury was conducted during 23 and 24 March 2009 and 31 officials attended the training. SAMRAS training was given from 11 to 13 May 2009 and was attended by two officials and one intern.

Yearly tenders have been advertised during June 2009 and will be finalized/adjudicated early July 2009

The database of accredited service providers has been updated and is in the process of capturing it on the SAMRAS system.

New appointment letters were served to all members of the different bid committees stating their roles and responsibilities and their acceptance as a member on a committee. Training of all bid committee members on their roles and responsibilities is needed. All meetings of the bid committees have been recorded and the minutes submitted with the monthly reports.

Reports of all awards made above R100 000 have been submitted to Provincial Treasury in terms of the supply chain management circular no 19 of 2008.

Stocktaking was done on a monthly basis and final stocktaking was done on 30 June 2009 for the end of the financial year.

#### **D. CONCLUSION**

The performance of the Supply Chain management unit has developed into 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 the financial year.

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