

## **QUARTERLY SUPPLY CHAIN MANAGEMENT REPORT (DECEMBER 2011)**

### **A. PURPOSE OF REPORT**

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. The purpose of this report is to report to the Mayor in terms of section 6(3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ending December 2011.

### **B. COMPLIANCE/PROGRESS**

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. 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 recorded and submitted on a monthly basis. Hereunder, please find the schedule containing the final awards made by the adjudication committee

#### **R/M 175/2010 – Supply protective clothing**

**Awarded:** 17 November 2011

**Awarded to:** Pienaar Bros  
Safety Mecca  
Safety Protective Clothing

#### **R/M 1/2011 and R/M 2/2011 - Supply and delivery of: Spare parts and service, repair and overhaul of motor vehicles, earthmoving and construction equipment by original equipment manufacturers (OEM)**

**Awarded:** 17 November 2011

**Awarded to:** Babcock Equipment  
Komatsu  
Altech Alcom  
Wacker Neuson  
Isuzu Trucks  
WP Hydraulics  
Equipment Spare Parts  
Engine & Gearbox Exchange  
Kevhec  
Compaction & Industrial Equipment  
ELB Equipment  
Advanced Galvanising  
Bearing Tech  
Bellville Truck Centre  
Barnies Engine Rebuilders  
C & B Filtration  
CAW Gearbox & Diff  
Equipment Spare Parts  
Engine & Gearbox Repair Centre

**Hino Parow (Imperial Toyota Trucks)**  
**Hydreco**  
**Moose Engineering**  
**Reflect All Compressor**  
**Saayman Spring Works**  
**Super Fit Silencers**  
**Strand Precision Motor Engineers**  
**Tygerberg Engine Rebuilders**

Numerous audit communications were received from the AG and will be summarized by the internal audit section. The findings will be scrutinized and the necessary steps will be implemented in order to adhere to the recommendations made by the AG.

Overberg District Municipality, in collaboration with Provincial Treasury, Department of Economic Development and Tourism, Cape Agulhas Municipality, Overstrand Municipality, and Theewaterskloof Municipality has hosted a **SUPPLIER OPEN DAY on Wednesday 23 November 2011** in the **Overstrand Municipality Auditorium, Hermanus.**

The aim of the Supplier Open Day was to provide information on procurement opportunities and access to finance to emerging local suppliers through the District municipality, local municipalities, provincial government, financial institutions and service providers such as CIDB, Commercial Banks, SARS, NYDA, KHULA, RED DOOR and others.

Interested local suppliers were invited to attend this exciting day to promote and equip their business in being more successful. The Deputy Mayor opened the meeting and two officials were available for answering questions and to assist the service providers with their registrations on the database of the municipality.

Deviations were reported on a monthly basis (8 deviations for this period to the value of R28422.02) and consist of the following:

**OCTOBER 2011**

<b>Parts - 10081</b>		
<b>DATE :</b> 23 September 2011		
<b>DEPARTMENT</b>	<b>COMPANY</b>	<b>AMOUNT</b>
Roads	Imperial Trucks	R 4 174.90
<b>Reason:</b> Only exclusive Hino and Toyota Truck Parts Distributor in the Western Cape.		

<b>Parts – PA 35030</b>		
<b>DATE :</b> 17 October 2011		
<b>DEPARTMENT</b>	<b>COMPANY</b>	<b>AMOUNT</b>
Roads	ELB	R 2 867.75
<b>Reason:</b> Sole agent for Mitsubishi Graders.		

<b>Troxler gauge repairs and calibration</b>		
<b>DATE :</b> 21 October 2011		
<b>DEPARTMENT</b>	<b>COMPANY</b>	<b>AMOUNT</b>
Roads	V.I. Instruments	R 2 664.50
<b>Reason:</b> Sole importers and distributors of troxler gauges and original spare parts.		

<b>Parts - 75099</b>		
<b>DATE :</b> 26 October 2011		
<b>DEPARTMENT</b>	<b>COMPANY</b>	<b>AMOUNT</b>
Roads	Imperial Trucks	R 4 294.83
<b>Reason:</b> Only exclusive Hino and Toyota Truck Parts Distributor in the Western Cape.		

<b>Parts - 87068</b>		
<b>DATE :</b> 26 October 2011		
<b>DEPARTMENT</b>	<b>COMPANY</b>	<b>AMOUNT</b>
Roads	Imperial Trucks	R 4 418.00
<b>Reason:</b> Only exclusive Hino and Toyota Truck Parts Distributor in the Western Cape.		

<b>Parts – PA 35030</b>		
<b>DATE :</b> 17 October 2011		
<b>DEPARTMENT</b>	<b>COMPANY</b>	<b>AMOUNT</b>
Roads	ELB	R 2 183.30
<b>Reason:</b> Sole agent for Mitsubishi Graders.		

**NOVEMBER 2011 (No Deviations for the month)**

**DECEMBER 2011**

<b>Parts – PA 40025</b>		
<b>DATE :</b> 02 December 2011		
<b>DEPARTMENT</b>	<b>COMPANY</b>	<b>AMOUNT</b>
Roads	Bell Equipment	R 5 373.47
<b>Reason:</b> Sole distributors of Bell Equipment, parts and services in the Western Cape.		

<b>Parts – PA 35037</b>		
<b>DATE :</b> 05 December 2011		
<b>DEPARTMENT</b>	<b>COMPANY</b>	<b>AMOUNT</b>
Roads	ELB	R 2 445.27
<b>Reason:</b> Sole agent for Mitsubishi Graders.		

Summary for quarter

- Emergency procurement	R 0
- Procurement from sole providers	<u>R28422.02</u>
<b>Total</b>	<b><u>R28422.02</u></b>

### **C. CHALLENGES AND CONSTRAINTS**

The database of accredited service providers has been updated and has been captured on the SAMRAS system. Training was provided for the implementation of supply chain management on the SAMRAS system. The creditor's suppliers list needs to be reconciled with the database for registered service providers.

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

The supply chain management unit is centralized with all supply chain officials working at the roads depot. New assets procured were bar-coded and captured on a monthly basis and submitted to the CFO for updating of the asset register.

Bid committee members need to be trained on their roles and responsibilities. New staff members need to be trained internally on supply chain management.

### **D. WAY FORWARD**

The following needs attention in the following quarter:-

- Filling of vacancy
- Submit training needs to training section
- Provide training to new staff members and resort personnel.
- Adhere to audit findings received from the AG

### **E. FINANCIAL IMPLICATIONS**

Secure budget for vacancy.

### **F. STAFF IMPLICATIONS**

Filling of vacancy.

**RECOMMENDATION**

That the report to the Mayor in terms of section 6(3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ending December 2011 be approved.

**HEAD: SUPPLY CHAIN MANAGEMENT  
MR D LAMBRECHTS**

**DATE**

**RECOMMEND BY ACTING CHIEF FINANCIAL OFFICER  
MR J SNYMAN**

**DATE**

**APPROVED BY ACTING MUNICIPAL MANAGER  
MR W RABBETS**

**DATE**

**SUBMITTED TO EXECUTIVE MAYOR  
MF L DE BRUYN**

**DATE**