

## QUARTERLY SUPPLY CHAIN MANAGEMENT REPORT (SEPTEMBER 2010)

### 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 September 2010.

### 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. The following tenders were awarded this period:

Cleaning agents	Awarded to Kwapele Basadi Cleanit CC
Filters	Awarded to C&B Filtration CC
Paper	Awarded to Lithotech
Printer ribbon	Awarded to Lithotech
Security services	Awarded to Season find t/a Find Security Services 1. (Dam, Dennehof and Uilenkraalsmond)

Deviations were reported on a monthly basis (19 deviations for this period to the value of approximately R 108,172.73) and consist of the following:

July 2010      No deviations for the month

August 2010

- Transport – R3200.00 – Sole agent/specialized vehicle
- Telecom cables – R3000.00 – Emergency
- Grader parts – R7993.52 – Sole agent
- Repair pump – R16973.46 – Sole agent
- Trailer parts – R5232.84 – Sole agent
- Imperial parts – R2320.00 – Sole agent
- Tramco parts – R8904.00 – Sole agent
- Atlas Copco parts – R4356.98 – Sole agent
- ELB parts – R2941.68 – Sole agent
- Volvo parts – R2800.00 – Sole agent
- Electricity repairs – R2405.00 - Emergency

September 2010

- Babcock parts – R2233.42 – Sole agent
- Barlow parts – R2788.10 – Sole agent.

- ELB parts – R8258.21 – Sole agent
- CSE parts – R4104.00 – Sole agent
- Imperial parts – R3631.70 – Sole agent
- Isuzu parts – R7600.97 – Sole agent
- Barlow parts – R3111.55 – Sole agent
- Training Fire engineering – R16317.30 – Sole provider

Summary for quarter

- Emergency procurement	R 5 405.00
- Procurement from sole providers	<u>R102 767.73</u>
<b>Total</b>	<b><u>R108 172.73</u></b>

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

Two vacant positions have been advertised in June 2009 in order to finalize the implementation of the supply chain management organizational structure but were not filled. One employee, who was on a contract basis, left the services off the council for a permanent position at another municipality. These two positions need to be filled urgently.

The database of accredited service providers has been updated and has been captured on the SAMRAS system.

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.

The supply chain management unit is centralized with all supply chain officials working at the roads depot.

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 vacancies
- Submit training needs to training section
- Provide training to new staff members and resort personnel.
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### **E. FINANCIAL IMPLICATIONS**

Secure budget for Head buyer vacancy.

### **F. STAFF IMPLICATIONS**

Filling of vacancies.

**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 September 2010 be approved.

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

**CHECKED BY CHIEF FINANCIAL OFFICER              DATE**  
**MR O MACKENZIE**

**APPROVED BY MUNICIPAL MANAGER                      DATE**