



**MAY 2016**  
**SUPPLY CHAIN MANAGEMENT SECTION**  
**REPORT**

## BUDGET AND TREASURY DEPARTMENT

### **1. PURPOSE**

To inform Council about the activities of the Supply Chain Management Section.

### **2. LEGAL/STATUTORY REQUIREMENTS**

MFMA Act 56 of 2003

PPPFA Act 5 of 2000

SCM Policy

SCM regulations

### **3. BACKGROUND**

The Supply Chain Management Section is required to submit a report on all its operations

## 4. REPORT ON ACTIVITIES

### 4.1 Awarded bids for May 2016

#### Bids less than R100, 000.00 awarded in May 2016

TENDER NAME	BID NUMBER	STATUS	B-BBEE STATUS LEVEL OF CONTRIBUTION	CLAIMED POINTS	LOCALITY	AMOUNT
1. Supply and Delivery of Protective Clothing for Mass Job Creation	ELM-3/082/2015-2016	Awarded to Oyisa and Akho Trading	3	16	Ugie	R 43 520.00
2. Provision of TLB Hiring Services	ELM-3/084/2015-2016	Awarded to Puruma Transport and Projects	3	16	Matatiele	R 40 991.00
3. Supply and Delivery of Stationery	ELM-1/019/2015-2016	Awarded to Keens Office Equipment	1	20	Queenstown	R 43 872.80
4. Supply and Delivery of Cold Asphalt	ELM-3/083/2015-2016	Awarded to Matrex Prime Pipe and Products CC	2	18	Chloorkop	R 93 936.00

## 4.2 Awarded bids for May 2016

### Bids more than R100, 000.00 awarded in May 2016

TENDER NAME	BID NUMBER	STATUS	B-BBEE STATUS LEVEL OF CONTRIBUTION	CLAIMED POINTS	LOCALITY	AMOUNT
1. Maclear Substation Maintenance	ELM-3/081/2015-2016	Awarded to Kumkani Electrical	2	18	East London	R 197 619.43
2. Bhashe Ngxola and Associates	ELM-3/083/2015-2016	Awarded to Bhashe Ngxola and Associates	3	16	Mthatha	R 199 756.50

### 4.3 Deviations - May 2016

#### Deviations less than R30, 000.00

COMPANY NAME	AMOUNT	DEPARTMENT	DESCRIPTION	REASON FOR DEPARTMENT
1. ION Consulting	R 28 180.80	Corporate Service	Eset Renewal (Volume Licenses)	Such services have already been acquired by the municipality from this service provider, hence we are renewing license, the anti-virus has been initially bought from them
2. Buffalo Toyota Mthatha	R 9 791.05	Community Services	Service Auris (FGC829EC)	Exceptional case, as the service provider needs to strip, assess and replace the brake pads hence impractical to follow SCM processes.
3. Sabata Municipal Solutions	R 29 640.00	Budget & Treasury Office	Prescribed debt as at 30 June 2016	Sole supplier, as we using this service provider for our FMS system and this is for the Debtors
4. SABS	R 20 406.00	Corporate Service	Training on Occupational Health and Safety Management Systems (OHSAS)	Exceptional case, since there are only two employees for training and other companies cannot plan training for two delegates, hence the recommended supplier is SABS.
5. SALABORA ENTREPRENEUR	R 14 744.00	Infrastructure Planning and Development	Supply of Steel Grids	Emergency, only one quotation was obtained for the supply of manhole Grids around Maclear town as the service provider had to evaluate and measure each of the five manholes; hence it is impractical to obtain more quotes as this is an emergency.

6. Times Media (Pty) Ltd	R 11 696.40	Municipal Manager's Office	Publication on newspaper of Media Statement	Less than three quotes as this is the only service provider on our data base that can render these services as others does not comply and unable to provide us with quotation
7. Joshua West	R 15 957.72	Infrastructure Planning and Development	Training Course for Project Management Masterclass	Exceptional case, as this is the only Company offering this training in this point in time making it impossible to obtain three quotes.
8. Ugie Mac Quarry	R 2 496.55	Infrastructure Planning and Development	Repairs for TLB-1 CAT 416 (DKR554EC)	Exceptional case, as the service provider needs to strip and diagnose the problem, hence it made it impossible to obtain more than one quotation.
9. Minnehaha Trading & Speculating	R 13 500.00	Community Services	100 Bales of Lucurn	Sole supplier, as this is the only service provider locally who can supply us with these services as others do not comply
10. Ugie Mac Quarry	R 7 099.01	Infrastructure Planning and Development	Repairs Agrico tow tractor	Exceptional case, as the service provider need to strip the Agrico tow tractor to identify the problem thus making it impractical to follow normal procurement procedures
11. Ugie Mac Quarry CC	R 17 902.56	Infrastructure Planning and Development	Repairs to Cat TLB-1 (DKR 441 EC)	Exceptional case, as the service provider needs need to strip the CAT to carry out fault analysis and repairs
12. Ugie Mac Quarry CC	R 4 959.00	Infrastructure Planning and Development	Services TLB-1CAT 416	Exceptional case, as the service provider need to strip the TLB before conducting service and oils are needed for the service
13. Sabata Municipal Solutions	R 29 640.00	Budget & Treasury Office	Verification of Stores commodities 2015-2016 Financial year	Sole supplier, as we using this service provider for our FMS system and this is for verification of stores commodity 3015-2016 financial year

14. Tavor Auto Sales (PTY) LTD	R 10 912.73	Budget & Treasury Office	Service of Jeep Cherokee HGN 958 EC	Sole supplier, as the Mayor's vehicle was due for service and this is the only service provider who conduct this kind of service as they are the manufacturer of this vehicle and they require a pre payment.
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#### 4.4 Deviations - May 2016

##### Deviations more than R30, 000.00

COMPANY NAME	BID NUMBER	DESCRIPTION	REASON FOR DEPARTMENT	B-BBEE & POINTS	LOCALITY	AMOUNT
1. World Focus 380 cc	ELM-6/013/2015-2016	Supply and Install Burglars at Craft Centre.	Less than three quotes, since this is the only service provider on our database that comply for this kind of service	None	Mthatha	R 30 780.00
2. Mozi Auctioneers	ELM-5/018/2015-2016	Provision of 10% Commission from the Proceeds of Sale Plus Advertising Costs.	Emergency due to the service is on commission base and it was not published for seven days as we requested three quotations and this is the lowest in terms of percentage	16 points	Qumbu	10% Commission
3. Siphe - Lwande Home	ELM-4/071/2015-2016	Accommodation for Project Officer.	Exceptional case, as the appointed service provider does not do bulk booking therefor the municipality had to book directly to local service providers	20 points	Maclear	R 57 820.00
4. South African Broadcasting Corporation (SABC)	ELM-1/024/2015-2016	Broadcasting State of the Municipal Address, Tabling of Budget and Launching Service Delivery Achievements.	Exceptional case, as is it impossible to advertise for seven days or request quotations for media platforms to cover maximize listenership, readership to target	18 points	Mthatha	R 171 000.00



			different audiences			
5. Eli-Andy (PTY) LTD	ELM-2/024/2015-2016	Install New Distribution Boards and Rewire the Circuits at Municipal Offices	Exceptional case, due to power failure we had to identify which circuit are connected on standby supply, then reduce the load connected on standby supply by reducing the number of circuits	None	Mthatha	R 55 740.00
6. Keith Ngesi Media (Pty) Ltd	ELM-1/028/2015-2016	Outside Broadcast-Online	Exceptional case as this is the only media platform who can cover the event to maximize listenership and to target different audience of ELM	20 points	East London	R 73 322.56
7. Kumkani Electrical	ELM-3/082/2015-2016	Rugby Street Medium Voltage Network Maintenance	Less than three quotations as this bid was advertised for seven days and only one quotation was submitted	20 points	Beacon Bay East London	R198 682.84
8. Drilling Africa	ELM-2/010/2015-2016	Borehole Drilling and Casting in Maclear Offices	Exceptional case, as there were no suppliers that responded to the bid that was advertised on the municipal notice board and website	None	Beacon Bay	R 81 008.40

**4.5 Irregular - May 2016**

**Irregular less than R30, 000.00**

COMPANY NAME	AMOUNT	DEPARTMENT	DESCRIPTION	REASON FOR DEPARTMENT
1.				
2.				
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