



June 2017
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 June 2017

Bids less than R100, 000.00 awarded in June 2017

TENDER NAME	BID NUMBER	STATUS	B-BBEE STATUS LEVEL OF CONTRIBUTION	CLAIMED POINTS	LOCALITY	AMOUNT
1. Supply and Delivery of Street Signs Cold Galvanising	ELM-6/015/2016-2017	Awarded to AML Trading Enterprise	Level 3	14	Libode	R 80 598.00
2. Supply and Delivery of Furniture	ELM-4/020/2016-2017	Awarded to Tholamanje (Pty) Ltd	Level 1	20	Kokstad	R 26 728.44
3. Supply and Delivery of Protective Clothing for the Electricians	ELM-3/075/2016-2017	Awarded to VIP Promotions (Pty) Ltd	Level 1	20	Mt Fletcher	R 86 317.10
4. Supply and Delivery of Office Furniture	ELM-3/088/2016-2017	Awarded to Insight Office Furniture	Level 2	18	East London	R 87 412.92
5. Supply and Delivery of Conventional Parkhome	ELM-1/020/2016-2017	Awarded to Sandile Business Enterprise	Level 3	14	Mthatha	R 85 875.00
6. Supply and Delivery of cold Asphalt to Maclear	ELM-3/082/2016-2017	Awardede to Down Low Constuction	Level 1	20	Pretoria	R 90 288.00
7. Supply and Delivery of Protective Clothing	ELM-1/023/2016-2017	Awarded to Mado Construction	Level 1	20	Mount Fletcher	R 93 431.00
8. Supply Delivery and Installations of Sign Boards	ELM-5/034/2016-2017	Awarded to Zennis Build Construction	Level 1	20	Mthatha	R 44 102.93

9. Supply and Delivery of Furniture	ELM-2/016/2016-2017	Awarded to Mado Construction	Level 1	20	Mount Fletcher	R 29 925.00
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4.2 Awarded bids for June 2017

Bids more than R100, 000.00 awarded in June 2017

TENDER NAME	BID NUMBER	STATUS	B-BBEE STATUS LEVEL OF CONTRIBUTION	CLAIMED POINTS	LOCALITY	AMOUNT
1. Supply and Delivery of Mayoral Cup Kit	ELM-1/019/2016-2017	Awarded to Dxee security Service	Level 3	14	Aliwal North	R 177 000.00
2. Supply and Delivery of Office Tools	ELM-5/030/2016-2017	Awarded to The Lawnmower and Pool Place CC	Level 4	12	Umtentweni	R 131 238.74
3. Supply and Delivery Office Furniture	ELM-3/090/2016-2017	Awarded to Salden Trading	Level 1	20	East London	R 194 500.00
4. Upgrade of Land Fill Site	ELM-5/021/2016-2017	Awarded to Zennis Build Construction	Level 1	20	Mthatha	R 174 952.94
5. Fencing of Maclear Pound	ELM-5/032/2016-2017	Awarded to Chipolpolo Engineers	Level 1	20	Ugie	R 189 886.95

4.3 Deviations - June 2017

Deviations less than R30, 000.00

COMPANY NAME	AMOUNT	DEPARTMENT	DESCRIPTION	REASON FOR DEPARTMENT
1. Uniclox Technologies	R 3 534.00	Corporate Services	Hardware- 5 volt dc power supply with battery backup	Such services have already been acquired from this service provider as we are using their machines for clocking device therefore we need a backup power supply from them
2. Yangantle Trading	R 24 925.00	MM'S Office	Catering for 45 people	Exceptional case as the venue is conducive for the nature of session which needs a quiet place where people will be organised and have a valued contribution to the session without any disturbance
3. University of Pretoria	R 9 500.00	IPD	Short Course in Supervisory Management Skills	Exceptional case as there is no other accredited service provider that renders this quality training and entails this content in a reasonable price and convenient time.
4. Getsmarter	R 11 900.00	IPD	Professional Communication & Office Management Online short course	Exceptional case as there is no other accredited service provider that renders this quality training and entails this content in a reasonable price and convenient time
5. SA Post Office	R 12 201.00	BOT	DL SS Window Envelopes	Sole supplier as this is the only service provider who can offer us envelopes with stamps at a discount
6. Joe Gqabi District Municipality	R 2 460.00	Strategic Planning	New Connection Fee	Sole supplier as Joe Gqadi Municipality is the only organisation who can connect any party to the main water line

7. Aucamp Motors cc	R 12 426.57	Community Services	Repairs to tractor DPS 188 EC	Exceptional case as this is the only service provider that is able to conduct repairs in order to ensure no disrupt in our refuse collection schedule
8. Kwa Wicks Build It	R 6 461.90	BOT	Pump 2.20 KW Water & Pipe Hydrolic C/W	Emergency as we had a water cut-off and we urgently require a water pressure system to connect water from tanks
9. Jacksons	R 22 459.25	Community Services	Repairs HWZ 926 EC	Such services have already been acquired from this service provider as we bought this truck from this service provider hence we send this truck for repairs and is the only nearest dealership
10. Tava Networks	R 4 144.41	Corporate Services	Publication of Ordinary council meeting	Exceptional case and it is impractical to get three quotations since all publishing companies refuse to format and customize adverts when they are not appointed hence we use this service provider for this financial year and they are the cheapest
11. Tava Networks	R 6 482.56	Municipal Manager's office	Publication of request of Long Term Loan	Exceptional case and it is impractical to get three quotations since all publishing companies refuse to format and customize adverts when they are not appointed hence we use this service provider for this financial year and they are the cheapest
12. Tava Networks	R 2 935.02	Strategic Planning and Development	Publication of IDP Notice	Exceptional case and it is impractical to get three quotations since all publishing companies refuse to format and customize adverts when they are not appointed hence we use this service provider for this financial year and they are the cheapest
12. Aucamp Motors	R 18 103.31	Community Services	Repairs of Tractor & Trailer DPS195EC	Exceptional case as this is the only service provider that is able to conduct repairs in

				order to ensure no disrupt in our refuse collection schedule and operations
13. J.A. Thomas	R 989.60	Budget and Treasury Office	Sheriff Services for Shrwinks Trading JV Amabombo	Exceptional case as this is the only Sheriff that is serving Sheriff Umzimkhulu Magistrate Court and High Court
14. Union Diesel cc	R 12 618.74	Infrastructure Planning & Development	Major service Mahindra Bolero HBZ 804 EC	Exceptional case this vehicle went for repairs and the dealer discovered that additional work need to be done and it is impractical to get three quotations since they need to strip before making estimate
15. Lwakhula Ulwazi Consulting	R 24 230.00	Budget and Treasury Office	Professional fees MSCOA 3-Day Workshop	Emergency as this was not advertised for seven days as we need to implement MSCOA by I July 2017 and we manage to get two quotations from our data base
16. Getsmarter	R 11 900.00	Infrastructure Planning & Development	Short Course on Communication and Office Management	Less than three quotations, as this is the only responding accredited service provider that renders this quality training and entails this content in a reasonable price and convenient time
17. Nosa	R 7 550.00	Corporate services Department	Short Course on Introduction to SAMTRAC	Sole Supplier as they are the only closest accredited service provider for this kind of training and is scheduled for these dates for 1 employees from Community Services section
18. Bufalo Toyota Mthatha	R 4 005.42	Infrastructure Planning & Development	Service of Toyota Hilux FVT 135 EC	Less than three quotations, as the service provider need to strip the vehicle to identify the problem, hence it made it impossible to obtain more than one quotation. This is the only closest service provider who can service Toyota

19. Buffalo Toyota Mthatha	R 19 357.89	Infrastructure Planning & Development	Service of Toyota Hilux HBT 203 EC	Less than three quotations, as the service provider need to strip the vehicle to identify the problem, hence it made it impossible to obtain more than one quotation. This is the only closest service provider who can service Toyota
20. Land of Joy Lodge	R 20 300.00	Infrastructure Planning & Development	Accommodation and Meals for Traffic Officers	Less than three quotations as this is the only closest accommodation to traffic college and convenient for them to study in groups with other traffic offices as they all stayed there and also offer transport to the college
21. Mankonyana Transport Services	R 6 000.00	Municipal Manager's Office	Transport councillors	Emergency as the department planned to use the council bus but informed very late that it is not roadworthy and had to source for quotations and only this one responded very late on the 10 May hence there was no order
22. Ugie Mac Quarry	R 6 011.82	Infrastructure Planning & Development	Supply and delivery of diesel bowser pump	Exceptional case as we sources three quotations and the cheapest one is not SCM Compliant and does not co-operate to submit
23. Ugie Mac Quarry	R 9 769.80	Infrastructure Planning & Development	Front Spring for UD 4Ton Truck	Less than three quotations as this is the closest supplier that can assist us and saving costs than sending truck to Queenstown
24. UD Truck Queenstown	R 6 777.43	Infrastructure Planning & Development	Repair tail lamp wiring & fit globe Nissan Tanker FXR 116 EC	Less than three quotations, as the service provider need to strip the vehicle to identify the problem, hence it made it impossible to obtain more than one quotation and this is the closest dealer for this vehicle

25. S.A Post Office	R 12 201.00	Budget and Treasury Office	Envelopes with Windows	Less than three quotations, as this is the only service provider who can provide us with envelopes with steps at a discounted price
26.ECSA	R 8 161.00	Infrastructure Planning & Development	ECSA Annual Fees	Sole supplier as this is the only Institute of Engineering Council of South Africa and our project management unit need to pay these annual fees to have capacity to deliver with professional integrity and to keep up with latest relevant technologies and regulations
27.Association of Municipality Electricity Utilities	R 12 900.00	Infrastructure Planning & Development	SARPA Annual Fees	Sole supplier as this is the only Institute of Engineering Council of South Africa and our project management unit need to pay these annual fees to have capacity to deliver with professional integrity and to keep up with latest relevant technologies and regulations
28. UD Trucks	R 6 777.43	Infrastructure Planning & Development	Service Nissan UD Truck FXR 116 EC	Less than three quotations, as the service provider need to strip the vehicle to identify the problem, hence it made it impossible to obtain more than one quotation and this is the closest dealer for this vehicle
29.Buffalo Toyota Mthatha	R 3 560.78	Budget and Treasury Office	Service Toyota Corolla Quest HPY 730 EC	Less than three quotations, as the service provider need to strip the vehicle to identify the problem, hence it made it impossible to obtain more than one quotation and this is the closest dealer for this vehicle
30.Buffalo Toyota Mthatha	R 3 352.44	Budget and Treasury Office	Service Toyota Corolla Quest DSB 465 EC	Less than three quotations, as the service provider need to strip the vehicle to identify the problem, hence it made it impossible to obtain more than one quotation and this is the closest dealer for this vehicle

31. Association of Municipality Electricity Utilities	R 4 400.00	Infrastructure Planning & Development	SARPA Annual Fees	Sole supplier as this is the only Institute of Engineering Council of South Africa and our project management unit need to pay these annual fees to have capacity to deliver with professional integrity and to keep up with latest relevant technologies and regulations
32. AC Spares and Repairs	R 3 820.00	Community Services Department	Repairs Husqvarna Mower	Less than three quotations, as the service provider need to strip the mower to identify the problem, hence it made it impossible to obtain more than one quotation and this is the closes dealer that can repair mowers
33. Jolozela Surveys	R 25 750.00	Infrastructure Planning & Development	Road setting out to Mbidlana	Exceptional case as the road section established that Mbidla access road need to be surveyed and this is the closest surveyors who are currently working with Likotos who is contracted by municipality for Southern side

4.4 Deviations - June 2017

Deviations more than R30, 000.00

COMPANY NAME	BID NUMBER	DESCRIPTION	REASON FOR DEPARTMENT	B-BBEE & POINTS	LOCALITY	AMOUNT
1. Ion Consulting	ELM-4/022/2016-2017	VSAT -satelite renewal	Exceptional case as this is for the annual lease renewal since it is impractical to follow SCM processes to acquire new satellite link whiles we already have configured link which is fully functional	16	Westville	R 52 063.80
2. Ugie Mac Quarry	ELM-3/089/2016-2017	Hire of excavation for 10 Days	Emergency as the road section urgently required to complete Mbidlana project before the end of financial year end 2016-2017 as this is the only local service provider that can offer us with that service	12	Ugie	R 66 120.00
3. University of Fortthare	ELM-4/024/2016-2017	Part Time Fees Diploma in Local Government Law & Administration	Sole supplier as this course was initiated by SALG and this institution is the only one that provide higher learning that are working with hence there is only one quotation	16	Bisho	R80 835.00
4. Ugie Mac Quarry	ELM-3/093/2016-2017	Supply and Delivery of 300 Ton Crushed Material	Exceptional case as the contract for this service has expired and there is no appointed service provider for this service and this is the only local service provider who is only 10 km in order to avoid fruitless expenditure	14	Ugie	R95 760.00
5. Infrastructure Options	ELM-2/023/2016-2017	Development of SCM Policy Infrastructure Procurement management	Such service have been acquired by the municipality from this service provider as Dr Ron Watermeyer conducted all the seminars and workshops for SIPDM therefor an urgent implementation from this specialist and its economical viable , cost effective and assurance of quality service	16	Randburg	R68 400.00

6. Tava Networks	ELM-4/025/2016-2017	Publication of Vacancies on City Press	Exceptional case and it is impractical to get three quotations since all publishing companies refuse to format and customize adverts when they are not appointed hence we use this service provider for this financial year and they are the cheapest	16	King Williams Town	R48 454.56
7. Mdledle Incorporated	ELM-1/024/2016-2017	Legal Opinion : Mr Mdingi	Exceptional case as the attorneys are unable to quote before they perform their duties and they invoice after services has been done. This attorney was appointed to assist us in labour relations matters	20	Durban	R43 035.00
8. Fikile Ntayiya & Associates	ELM-1/027/2016-2017	Legal Fees: ELM vs Mashata Sekhosana & 31 Others	Exceptional case as the attorneys are unable to quote before they perform their duties and they invoice after services has been done. They were appointed in a litigation matter involving Mashata & 31 Others	16	Mthatha	R187 573.31
9. PWC	ELM-1/028/2016-2017	Development of 2017/2018 SDBIP	Such services have already been acquired by the municipality from this service provider as we Action IT is in partnership with this service provider and they are going to develop MSCOA compliant SDBIP in order to implement PMS	20	Beacon Bay	R 160 033.00
10. Joubert Galpin & Searle	ELM-1/030/2016-2017	Legal Fees: Nangamso Civils vs ELM & Others	Exceptional case as the attorneys are unable to quote before they perform their duties and they invoice after services has been done. They were	16	Port Elizabeth	R 54 224.15

			appointed in a litigation matter involving Nangamso Civils			
11. University of Fort Hare	ELM-4/027/2016-2017	Fees for Local Government Law & Administration	Exceptional case as these are the fees of diploma for councillors that were in the previous council and we already registered with the university and these fees need to be paid even if they did not finish their diploma	16	East London	R 87 725.00
12. Sticktainment	ELM-1/019/2016-2017	Production Extended Play Hip Hop Group	Emergency, since the response from advertising for seven days was less than two submissions and the user department cannot afford to wait for third time advertisement as they need to appoint before the financial year end	None	Melville	R 516 660.00
13. Lwakhula Ulwazi Consulting	ELM-2/017/2016-2017	Professional Fees MSCOA	Emergency as this was not advertised for seven days as we need to implement MSCOA by I July 2017 and we manage to get two quotations from our data base	20	East London	R 156 900.00
14. Amended Reclines Trading Projects	ELM-1/019/2016-2017	Supply and Delivery of Mayoral Kit	Emergency as this was advertised two times and they all not quoting according to specification and it was not advertised for the third time due to financial year and we requested three quotations from database	20	East London	R 157 000.00

4.5 Irregular - June 2017

Irregular less than R30, 000.00

COMPANY NAME	AMOUNT	DESCRIPTION	REASON FOR DEPARTMENT
1.			
2.			
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