

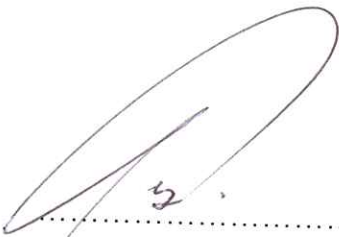


Supply Chain  
Management  
Annual  
Implementation  
Report 2015/16

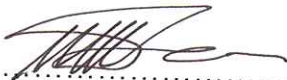
JUNE 2015

To The Executive Mayor

In accordance with Regulation 6(3) of the Municipal Supply Chain Management Regulations, I submit the required report on the implementation of Ba-Phalaborwa Municipality Supply Chain Management Policy for the period: 1 July 2015 to 31 May 2016



.....  
Dr SS Sebashe  
Municipal Manager



.....  
Sono N.A  
Mayor

## **Executive Summary**

### **Introduction**

This report is a summary of the implementation of the Supply Chain Management Policy. It highlights the implementation of Supply Chain Management in the Ba-Phalaborwa Municipality. Regulation 6(3) of the SCM Regulations requires the Accounting Officer to report on the implementation of the Supply Chain Management Policy to the Mayor in a bid to give effect to his oversight role.

## **Implementation of Supply Chain Management**

### **Policy**

The Supply Chain Management Policy was revised and adopted by Council in May of 2015 in a bid to fully comply with the SCM Regulations communicated under National Treasury general notice 868, Gazette no. 27636 (effective at the time). The Supply Chain Management Policy will be reviewed to ensure alignment with legislative amendments and to incorporate any recommendations as raised by the Auditor General in findings during the 2015/2016 regulatory audit.

### **Legislation**

National Treasury promulgated on the June 2015 a Supply Chain Management Circular which was aimed at addressing issues such as; but not limited to; demand management; procurement plans; publication of names of bidders in respect of advertised competitive bids above the threshold value of R200 000; the verification of the names and identity numbers of directors/ trustees/ shareholders of companies; enterprises, closed corporations and trusts against the relevant municipal structure; process to deal with false declarations by bidders; process to deal with irregular expenditure resulting from false declarations; the revised Municipal Bidding Document (MBD 4); the verification by the Chief Financial Officer prior to advertisement of bids above R10 million; the confirmation of bidding process for bids in excess of R10 million; the placing of orders for payment in another financial year; the publication of awards in respect of advertised competitive bids.

## **Committees**

The below mentioned committees are established and are functioning fully according to Council's Supply Chain Management Policy and the Supply Chain Management Regulations. The committees are as listed below:

Bid Specifications Committee (BSC)

Bid Evaluation Committee (BEC)

Bid Adjudication Committee (BAC)

The number of meetings that the BAC had during the Annual report for the 2015/16 financial year amounts to 6. The number of bids/ tenders as approved by the BAC during Annual report for the 2015/16 financial year amounts to 3. Details of these awards have been listed in the respective Section 71 reports for the Annual report for 2015/16 financial year.

## **Staffing Issues**

The staff complement of the Supply Chain Management unit is as follows:

1x Head: Supply Chain Management,

1x Chief Accountant Procurement and Contract Management

1x Accountant

1x Chief Accounting Clerk

1x Chief Bid Administrator

1x Store man

3 x Internship



The current employees of the unit have been equipped with the necessary skills in order to meet the demands of the positions that they are currently occupying. The training was conducted internally to the employees in the section

Some post on the organogram are not yet met due to austerity measures.

## **Systems**

### **Supplier Database**

The database for suppliers is currently operated on the E-Venus system (Excel spreadsheet)

The total number of registered suppliers until 30 June 2015 amounts to 8100 excluding the applicants registered for the financial year

The centralised supplier database will be implemented starting from the 1<sup>st</sup> of July 2016 as introduced by National treasury.

Ba-Phalaborwa Municipality has embarked on a process where it invited new prospective service providers to register on the supplier database in July 2015 in accordance with paragraph 14 (1) (ii) of the Supply Chain Management Regulations, which requires the accounting officer to invite prospective providers of goods and services to apply for evaluation and listing as accredited prospective providers.

### **E-Venus system**

The integration required between the E-Venus system and the Spreadsheet excel is finalised. Current problems as identify within the system is been tabled and address on a workgroup platform, to ensure uniformity and alignment with the legislative and statutory framework.

## **External Relations**

No supply chain workshop conducted during the financial year 2015/16

## **Conclusion**

The Supply Chain Management Unit is continuously improving its processes and procedures in order to ensure that Council receives value for money in terms of demand and acquisition management. We also note with pleasure that the Ba-Phalaborwa Municipality is at present being visited by the Auditor General for the rendering of its yearly regulatory audit 2015/16 in terms of the legislative and statutory framework. This process currently undertaken will thereby give reasonable assurance to the Council and communities Phalaborwa, Namakgale, Makhushane, Mashishimale, Majeje, Selwane, Gravelote and Maseke that due process has been followed in the execution of the processes and procedures, as followed by the Supply Chain Management Unit (SCMU).