



**QUARTERLY REPORT TO THE MUNICIPAL COUNCIL
IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY
ULUNDI LOCAL MUNICIPALITY**

(As per Section 6(1)(3) of the Municipal SCM Regulations)

SCM QUARTER 2 REPORT 2024-2025

Contents

1. Introduction	3
2. SCM Policy & Procedures	3
2.1 Adoption of Policy by Council	3
2.2 SCM Procedures	3
2.3 Delegations	3
2.4 Infrastructure Procurement	3
3. Functioning of the SCM Unit (phrase as questions)	3
3.1 SCM Structure:	3
3.2 Declaration of Interest:	3
3.3 Code of Conduct for SCM Practitioners:	3
3.4 Training of SCM Personnel:	3
4. Functioning of Bid Committees	3
5. Reporting Items	4
5.1 Deviations	4
5.1.1 Section 114 (Approval of tenders not recommended)	4
5.1.2 Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)	4
5.1.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)	4
5.1.4 Regulation 16(c) and 17(1)(c) - Reporting for Less than 3 Quotations	4
5.2 Unauthorized, Irregular, Fruitless & Wasteful Expenditure	5
5.3 Central Suppliers Database (CSD)	5
5.4 Procurement Plan Implementation	5
5.5 Bids Awarded >R300K	5
5.6 Municipal Bid Appeals	6
5.7 Contract Management	6
5.7.1 Contracts Register Statistics	6
5.7.2 Variations	6
5.7.3 Supplier Performance Management	6
5.8 Logistics / Inventory Management	7
5.9 Unsolicited Bids	7
5.10 E-Tender Portal	7
6. Risk Management	7
6.1 Fraud Prevention Plan	7
6.2 Audit Findings	7
7. Conclusion	7

1. Introduction

In terms of clause 6(1)(3) of the Municipal Supply Chain Management Regulations, 2005, which deals with the Oversight role of council of municipality:

- (1) *The council of a municipality must maintain oversight over the implementation of its supply chain management policy.*
- (3) *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 of the municipality..*

2. SCM Policy & Procedures

2.1 Adoption of Policy by Council

Date and Resolution.- 22 May 2024

2.2 SCM Procedures

*List procedures that are in place - **SCM procedure manual.***

2.3 Delegations

*Are SCM Process Delegations in place? **Yes***

2.4 Infrastructure Procurement

*Has Council adopted the Standard for Infrastructure Procurement and Delivery Management? **Yes***

3. Functioning of the SCM Unit (phrase as questions)

3.1 SCM Structure:

*Is there an approved Structure in place? **Yes***

3.2 Declaration of Interest:

*Have all SCM Personnel declared their interests? **Yes***

3.3 Code of Conduct for SCM Practitioners:

*Have all SCM Personnel signed the Code of Conduct? **Yes***

3.4 Training of SCM Personnel:

*Have all SCM Personnel been trained? **Yes. Three trainings were scheduled and attended by the SCM staff, one of which included the bid committee training.***

4. Functioning of Bid Committees

4.1 Are Bid Committees constituted in line with Regulations 27, 28 &29? **Yes**

4.2 Are Infrastructure Committees aligned with Infrastructure Delivery Management System (IDMS)? **No committee has been set up**

4.3 Are Bid Committee Terms of Reference in place? **Yes**

4.4 Number of Bid Committee Meetings held during the reporting period. **12**

5. Reporting Items

5.1 Deviations

5.1.1 Section 114 (Approval of tenders not recommended)

Date of Award	Bid No.	Description of Goods/Services/Works	Award Value	BEC Recommendation	BAC Recommendation	Reason for Deviation	Notifications		
							AG	PT	NT
N/A									

5.1.2 Regulation 32 (Procurement of goods and services under contracts secured by other organs of State)

Date of Award	Contract Description	Award Value	Service Provider	Name of Contract Owner (Department / Municipality)	Consent obtained from Organ of State and Service Provider		Reason for Deviation	PT Decision	
					Yes	No		Approved	Not Approved
					N/A				

5.1.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)

Description of Goods/Services/Works	Date of Award	Awarded To	Reason for Deviation	Award Value	Date reported to Council
N/A					

5.1.4 Regulation 16(c) and 17(1)(c) - Reporting for Less than 3 Quotations

SUPPLIER	DESCRIPTION	Reason for Deviation	ORDER NO.	AMOUNT (R)
Haigs Mover and chainsaw	Servicing of grass cutters and chainsaw machine	Impractical to obtain 3 quotes as strip and quote was required.	PO06786	R57 164

5.2 Unauthorized, Irregular, Fruitless & Wasteful Expenditure

- i) *Template as per MFMA Circular 68 to be utilized - Yes*
 - ii) *Submission of register to PT - Yes*
 - iii) *Report as per KZN Municipal Circular 04 of 2017/18 - Yes*
- *Irregular expenditure for the quarter amounted to R6 939 725.26. This results mostly from the long-term contracts awarded in the previous financial years which were not advertised for longer than 30 days. Of this amount, R861 581.43 was from a supplier awarded whose tax matters were not in order and another not scoring the highest points.*
 - *Fruitless and wasteful expenditure for the quarter amounted to R3 244 179.94 resulting from the interest on the Eskom account.*

5.3 Central Suppliers Database (CSD)

- i) *Access / challenges*
- *The municipality continuously uses Central Supplier Database (CSD) as required by MFMA circular 81 of 2016*
 - *The unit is also continuously driving the process to ensure that all suppliers are registered for the correct commodities to ensure effective and efficient service delivery.*
 - *28 suppliers were added in the municipal database for this quarter.*

<i>October</i>	<i>November</i>	<i>December</i>
<i>16</i>	<i>7</i>	<i>5</i>

5.4 Procurement Plan Implementation

- i) *Format of Procurement Plan as per Circular 62 (Annexure B) - Yes*
- ii) *Report on implementation as per KZN Municipal Circular 04 of 2017/18 – Yes*

5.5 Bids Awarded >R300K

Bid No.	Bid Description	Award Value	Award Date	Contract Start Date	Contract Duration
01/2024-2025	Insurance	Amount not fixed	30 Oct 2024	1 Nov 2024	3 years
02/2024-2025	Supply and delivery of new server and related equipment	R689 398.55	22 Nov 2024	22 Nov 2024	Once off
03/2024-2025	Telecommunications	R831 845.99	02 Nov 2024	02 Nov 2024	3 years
04/2024-2025	Panel of attorneys	Amount	13 Nov 2024	13 Nov 2024	3 years
05/2024-2025	Review of Ulundi Local Municipality LED Strategy	R348 776.60	22 Nov 2024	22 Nov 2024	1 year
06/2024-2025	Ulundi Cattle Dip Support	R900 473.00	09 Oct 2024	09 Oct 2024	Once off
07/2024-2025	Supply and delivery of indigenous goats	R946 320.00	09 Oct 2024	09 Oct 2024	Once off
08/2024-2025	Payroll and Human Resource system	Amount not fixed	02 Nov 2024	02 Nov 2024	3 years

10/2024-2025	Supply and delivery of Local Economic Development goods	R2 697 610	22 Nov 2024	22 Nov 2024	Once off
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5.6 Municipal Bid Appeals

i) Bids appealed

- No bids have been appealed.

ii) Appeal status

- N/A

5.7 Contract Management

5.7.1 Contracts Register Statistics

No. of Current Contracts	No. of Contracts about to expire in <6 months	No. of Expired Contracts but still in use
50	00	00

Contracts due to expire within 6 months

Bid no	Bidder and Description	Expiry date
N/A		

5.7.2 Variations

i) Variations within 15% or 20%

Contract No.	Contract Description	Contract Value (R)	Reasons for Variation	Amount
20/2021/2022	Fidelity Cash Handling services	R434 082	The purpose of the extension is to allow the municipality to conclude with the existing SCM processes.	R22 524

ii) Variations above 15% or 20% (Comply with MFMA S116(3))

Contract No. & Description	Contract Value	Reasons for Variation	Amount	Date Tabled at Council	Date of Notice to Community
N/A					

5.7.3 Supplier Performance Management

All active suppliers performance has been assessed for the quarter and report is attached.

5.8 Logistics / Inventory Management

- i) *Policy*
 - *This is incorporated in the SCM policy*
- ii) *Cycle counts*
 - *Stock take is prepared quarterly.*
 - *The value of stock as at the end of the quarter is R4 570 457.79.*
- iii) *Challenges*
 - *Additional support required for the Electrical materials administration.*
- iv) *Other activities – N/A*

5.9 Unsolicited Bids

Description of Goods/services	Amount	Date Submitted to Council	Supported		Date submitted to Provincial Treasury	Supported	
			Yes	No		Yes	No
N/A							

5.10 E-Tender Portal

- i) *Access*
 - *The municipality has access to the portal.*
- ii) *Bids published during the quarter*
 - *Four tenders have been advertised during the quarter.*

Bid No.	Bid Description	Advert date	Closing date	Contract Duration
09/2024-2025	Cash Handling Services	10 Oct 2024	11 Nov 2024	36 months
10/2024-2025	Supply and Delivery of Local Economic Development Goods	18 Oct 2024	01 Nov 2024	12 months
11/2024-2025	Panel of service providers for provision of protective clothing and uniforms	13 Nov 2024	15 Jan 2025	36 months
12/2024-2025	Supply, installation and maintenance of security cameras	13 Dec 2024	31 Jan 2025	36 months

6. Risk Management

6.1 Fraud Prevention Plan

Is there a Fraud Prevention Plan in place? Yes

6.2 Audit Findings

The 2023-2024 external audit has been concluded and the action plan to address audit findings is currently in draft format.

7. Conclusion

The report meets the requirements of the Supply Chain Management Regulations by submitting the report to Council on the implementation of the supply chain management policy.

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