

The Chairperson and Members of
Finance Committee

Notice is hereby given that there will be an Urgent Special Finance and Budget
Committee meeting will be held as follows:

21 October 2020
AT 14:00

Zoom conducted to discuss the items on the agenda.


A J. 
CLLR M. MOFOKENG
CHAIRPERSON
19 October 2020

A G E N D A

1. Opening
2. Application for leave of absence
3. Consideration of the attached reports.



SECTION 2: SUPPLY CHAIN MANAGEMENT REPORT

2.1. PURPOSE

The purpose of this report is to submit to Council the Supply Chain Management implementation report for all bids awarded through the NLM SCM Policy and SCM Regulation prescriptive for the periods 30 September 2020.

2.2. BACKGROUND

The supply chain management of NLM section 22.1 prescribe that Council of Ngwathe Local Municipality shall maintain an oversight over the implementation of supply chain management policy to ensure that it is within the ambit of the applicable legislation.

In order for the Council to exercise its oversight role over supply chain management effectively, the Accounting Officer shall:

- a) within 30 days of the end of financial year or whenever there are serious and material problems in the implementation of the supply chain management policy, submit reports on the implementation of the supply chain management to the Council of the municipality.
- b) within 10 days after the end of each quarter submit a report implementation of supply chain management policy to the mayor, who shall also table such report to council.

2.3. REPORTING

This report is prepared in line with the Supply Chain Management Policy Framework, Section 22.1 and its Guidelines. The report covers the following reportable areas of performance as outlined below:

- 2.3.1. Formal written price quotations above R 30,000 up to R 200,000 [Sec. 18(a) of the Municipal Supply Chain Management Regulations]
- 2.3.2. Competitive bidding process for procurements above a transaction value of R200,000, inclusive of VAT. [Sec. 19(a) of the Municipal Supply Chain Management Regulations]
- 2.3.3 None compliance
- 2.3.4 Deviation process

2.3.1. FORMAL WRITTEN PRICE QUOTATIONS ABOVE R30,000 UP TO R200,000

Section 18(a) of the Supply Chain Management Regulation (GNR 868 of 30 May 2005) prescribe that all requirements in excess of R30,000 (VAT included) that are to be procured by means of formal written price quotations, must in addition to the requirement of regulation 17, be advertise for at least 7 days on website and notice board of the municipality.

The following awards were made in terms of the above legislative prescripts:

JULY 2020

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
10(03/2020)	Supply and delivery of cleaning material	Patsam General Dealer	R 51 000.00
13(06/2020)	Supply and delivery of Plumbing Material	Nomsa Zanele Construction	R 85 700.00
03(06/2020)	Purchase of Jojo Tanks 20x2000L	Violets & Roses(Pty)Ltd	R 75 600.00
11(06/2020)	Renovation of Parys Taxi Rank Ablution Facility	Mankolisi Business Enterprise	R 72 535.00
		TOTAL AWARDS	R 284 835.00

AUGUST 2020

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
10(06/2020)	Supply and delivery of water meters	Nomsa Zanele Construction	R 185 000.00
		TOTAL	R 185 000.00

SEPTEMBER 2020

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
(03/07/2020)	Supply and delivery of tar	Mohobi projects (Pty)Ltd	R 113 000.00
(02/07/2020)	supply and delivery of office furniture's	Patsam general dealer	R 82 300.00
(07/09/2020)	supply and delivery of stationery	De lange Risk Management	R 112 500.00
(29/09/2020)	supply and delivery of plumbing material	Fabritech Engineering	R 57 218.25
		TOTAL	R 365 018.25

- Total No. of 09 advertised seven days for the first quarter ended 30 September 2020
- Total Amount of R834 853.25 of seven days awarded during the first quarter ended 30 September 2020

Section 17(1)(c) of the Municipal Supply Chain Management Regulations (GNR 868 of 30 May 2005) stipulates that, if it is not possible to obtain at least three formal written price quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer.

The awards below did not comply with the above regulated requirement and a reason relating to each instance is given for the approval of the Chief Financial Officer:

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
N/A - NONE			

3.3.2. PROCUREMENTS ABOVE A TRANSACTION VALUE OF R200, 000 (VAT Included) THAT WERE SUBJECTED TO A COMPETITIVE BIDDING PROCESS:

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
NLM: TEC-K-EWPIP01/RBIG/2019/20	APPOINTMENT FOR THE CONSTRUCTION OF KOPPIES TO EDENVILLE BULK WATER PIPELINE AND A CLEAR WATER INTERMEDIATE PUMPING STATION.	ELBONE MULTI-PURPOSE/ SEDTRADE (PTY) LTD JVA	R88 930 638.08

3.3.3. NONE COMPLIANCE

The Municipal Supply Chain Management Policy as well as Regulations (GNR 868 of 30 May 2005) prohibits business transactions with a person whose:

- Tax matters are not in order;
- In the service of state;

The Policy further outlines processes that must be followed when requesting/ procuring goods or services above the following ranges:

- R 0 – R 2,000 > Petty cash purchases
- R 2,000 – R 10,000 > Written or verbal quotations (VAT Included)
- R 10,001 – R 200,000 > At least three quotations must be solicited
- R 30,000 < in addition to at least three quotations, must be advertised for at least seven days on the website and on official notice board of the municipality
- R 200,001 > Competitive bidding process

Despite the above regulated requirements, the following conditions could still not be complied with:

3.3.3.1. Tax clearance certificates were not obtained from the following suppliers:

Supplier	Services/Goods	Cost
TOTAL - NONE		

3.3.3.2. The declarations of interest were not obtained from the following suppliers:

Supplier	Services/Goods	Cost
TOTAL - NONE		

3.3.3.3 None Compliance / Irregular Expenditure

Supplier	Services/Goods	Cost
NONE - NONE		

3.3.3.4 Awards made in terms of Supply Chain Management Regulation, Section 32 of the SCM Regulation

SCM Regulation, sec. 32 and SCM Policy sec. 6 makes provision for the accounting officer to procure goods or services for the municipality under a contract secured by another organ of state, but only if:

- a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state.
- b) That other organ of state and the provider have consented to such procurement in writing.
- c) There is no reason to believe that such contract was not validly procured.
- d) There are demonstrable discounts or benefits to do so.

The following services / goods were procured in terms of the above legislative prescripts:

Date	Service Provider	Project Discretion	Department	Amount
NONE				

3.4 DEVIATION

The municipal SCM Policy, applied consistently with Section 36(1) of the Municipal Supply Chain Management Regulations which provides for the accounting officer to dispense with the official procurement processes established by the Policy to procure any required goods or service through any convenient process which may include direct negotiations and/or deviating from the Supply Chain Management process.

The accounting officer has considered and approved a total number of 28 procurement transaction totalling R3 792 831 in line with Section 36 of the SCM Regulation (Deviation) (Annexure A, B and C). For the first quarter ended 30 September 2020.

ANNEXURE A



The home of harmony, prosperity and growth

DEVIATION REPORT FOR THE MONTH ENDED 31 JULY 2020

The Supply Chain Management Regulation, Section 36 Government Gazette notice 868 of 2005, refers.

DATE	NAME OF SUPPLIER	REASON FOR DEVIATION	DESCRIPTION	AMOUNT
01-31/07/2020	Morning Dew Trading 132CC	The pump been out of operation these was allowing sewage to overflow and run through resident yard and polluting the area	Replacing burned electric panel and rewiring it	R 299 000
01-31/07/2020	Twin Brothers Construction	We are requesting a temporary repair of a spool piece that is leaking at the water works	Removal of 400mm x 600 face to face flanged spool, replace	R 7 475
01-31/07/2020	Xolani protection Service	Emergency needed security at main substation (Eskom Parys)	Security	R 165 830
01-31/07/2020	Sure travkor	Due to none availability of vehicles, we humbly request to hire a vehicle to enable our by-law Office to execute her duties effectively & efficiently as require	Car hire	R 21 013

01-31/07/2020	Nelibusu Projects	The cherry picker was used in Parys town, just before the appointment of fleet, electrical network has had a lot of electrical network challenge that needs cherry picker.	Chery-picker	R 56 000
01-31/07/2020	Sure travkor	Vehicle was urgently needed to perform municipal duties ,because the Municipal Vehicle does not have roadworthy	Car hire	R 21 013
01-31/07/2020	Xolani protection Service	Security was urgently needed, because Lusaka Power Station and Main Power Station were Vandalised.	Security	R 112 125
01-31/07/2020	Xolani protection Service	Security was urgently needed, because Koppies and Heilbron units were Vandalised.	Security	R 130 200
01-31/07/2020	Xolani protection Service	Security was urgently needed for Eskom/Parys Main Power Station	Security	R 165 830
01-31/07/2020	Twin Brothers Construction	Urgently, because the Sewer was flowing directly to the river due to Oudewerf pump station not functioning effectively	Supply and Install of Bore-Shaft Gorman Rupp Pump	R 299 000
01-31/07/2020	Twin Brothers Construction	Parys Waste Water Treatment work was blocked, so the Supplier was needed to unblock the pumps	Unblock and Cleaning of Pump	R 194 350
01-31/07/2020	Phelang Moko	Urgent because the pipes were damaged, they needed to be fixed	Remove of damaged pipe	R 173 500

01-31/07/2020	Workshakers	Supplier was needed to clean reservoir	Cleaning of Reservoir	R 195 550
01-31/07/2020	Winterose Trading	Offices were needed to be fumigated	Fumigate Offices	R 97 200
01-31/07/2020	Winterose Trading	The main office is shared with the Department of Health-Clinic. In the wake of normal working on a day-to-day basis dealing with patients, one of the patients in the clinic tested positive to Covid-19 virus. As a result, the matron in the clinic followed precautionary measures to inform the Municipal Manager in order for the necessary arrangements to be made. The building has to be closed for decontamination	Deep clean, decontaminate and fumigate municipal offices	R 52 840
01-31/07/2020	Sure Travkor	Municipal does not have roadworthy vehicles to enable officials to perform their duties as expected.	Car Rental	R 21 013
01-31/07/2020	Twin Brothers	In Tumahole our community was struggling with water due to shortage of water from the treatment works. Most families were collecting water from the borehole and it was not sufficient to cater them	Renovation at Mandela borehole	R 141 910
01-31/07/2020	Pioneer Security	This security has been providing service to the Municipality for the past months. Since they operated we have not experience any vandalisms, theft and we have a good working relationship.	Security Service	R 346 518

01-31/07/2020	Xolani Protection services	This security has been assisting the council to safeguard the main-substation(Lusaka) against all kinds of theft that has been taking place. There was couple of breakage and theft in the premises, and if the premises would be without guards, there would be a total black-out. 01/02/2020	Security Service	R 137 310
01-31/07/2020	Xolani Protection services	This security has been assisting the council to safeguard the main-substation (Lusaka) against all kinds of theft that has been taking place. There was couple of breakage and theft in the premises, and if the premises would be without guards, there would be a total black-out. 01/01/2020	Security Service	R 137 310
01-31/07/2020	MC security and investigations cc	We are currently in need of security personnel to secure/protect Councillor's houses during the unrest both in Tumahole and Mokwallo	Security	R 160 246
			TOTAL	R 2 935 232

ANNEXURE B



The home of harmony, prosperity and growth

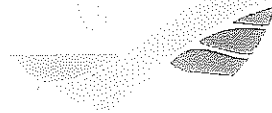
DEVIATION REPORT FOR THE MONTH ENDED 31 AUGUST 2020

The Supply Chain Management Regulation, Section 36 Government Gazette notice 868 of 2005, refers.

DATE	NAME OF SUPPLIER	REASON FOR DEVIATION	DESCRIPTION	AMOUNT
31/08/2020	O'namC Holdings Pty Ltd	Sewer pump station D we had an emergency, the element was burnt and raw sewer was over flowing inside the clinic and running into the streets(KOPPIES)	T4 Rotating Element	R 209 300
31/08/2020	Bryn Construction CC	The bulk sewer pipe line at Mbeki sewer pump station is blocked and full of sludge	Cleaning of Mbeki Section sewer pump station	R 92 000
			TOTAL	R 301 300

ANNEXURE C

Ngwathe
MUNICIPALITY



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DEVIATION REPORT FOR THE MONTH ENDED 30 SEPTEMBER 2020

The Supply Chain Management Regulation, Section 36 Government Gazette notice 868 of 2005, refers.

DATE	NAME OF SUPPLIER	REASON FOR DEVIATION	DESCRIPTION	AMOUNT
10/09/2020	Twin Brothers Construction	T4 Rotating assembly element, Unit is experiencing over flowing sewer at the substation B next to the railway line	T4 Rotating assembly element	R 71 139
10/09/2020	Twin Brothers Construction	Cleaning of Bulk Sewer pipe line ,repair screen and supply hark, jet blasting truck to unblock 160mm in-flow line at specified man hole and water	cleaning of bulk sewer pipe line and Repair	R 113 160
10/09/2020	Bryn Construction CC	The bulk sewer pipe line at Mbeki sewer pump station is blocked and full of sludge	Cleaning of Mbeki Section sewer pump station	R 92 000

10/09/2020	Ramagapu Trading	Mbeki pump station is out of operation due a damage pump and burned electrical motor and results of this municipality experiences a challenge of sewer flowing directly to the river stream.	T4pump & supply electric motor & refurbish a panel	R 280 000
			TOTAL	R 556 299

-End of Report-