

**6.5 ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1 JULY
2018 TO 30 JUNE 2019****File No./s:** 2/1/1/1**Responsible Official:** R. Ontong**Directorate:** Finance**Portfolio:** Finance

1. PURPOSE

The Local Government: Municipal Finance Management Act, no 56 of 2003 (MFMA), requires the municipality to have and implement a Supply Chain Management (SCM) Policy which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

Although the MFMA prohibits a Councilor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders, Council has an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with this policy. For the purposes of such oversight, Council's Supply Chain Management Policy, **Paragraph 6.2(a)** requires that the Accounting Officer must **"Within 30 calendar days of the end of each financial year, submit a report on the implementation of the policy to Council."**

1. POLICY REQUIREMENTS**1.1 Supply Chain Management Policy:**

The Supply Chain Management Policy was initially adopted on 30 August 2005 and a Supply Chain Unit was also established, which operates under direct management of the SCM Manager and supervision of the Chief Financial Officer. The policy provides for the systems of: Demand, Acquisition, Logistics, Disposal, Performance and Risk Management.

The objectives of the Policy are:

- a) to give effect to section 217 of the Constitution of the Republic of South Africa by implementing a system that is fair, equitable, transparent, competitive and cost effective; and
- b) to comply with applicable provisions of the Municipal Finance Management Act including Municipal Supply Chain Management Regulations published under GN868 in

Government Gazette 27636, 30 May 2005 and any National Treasury Guidelines issued in terms of the MFMA and regulations pertaining thereto.

c) to acknowledge the provisions of:

1. the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
2. The Competitions Act 1998 (Act No. 89 of 1998)
3. the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
4. the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
5. the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
6. the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
7. the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
8. the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
9. the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);
10. the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)

2.2 Amendment of Supply Chain Management Policy

In terms of Paragraph 3(1)(b) of the Policy, the Accounting Officer must, when considered necessary, submit proposals for the amendment of the Supply Chain Management Policy.

The Supply Chain Management Policy was amended in May 2019 and tabled to Council for approval.

The SCM policy dealing with infrastructure procurement will used as guideline and must not be legislative enforceable, since National Treasury is in the process of amending this section (SIPDM). Breede Valley Municipality further applied for condonation from National Treasury in order not to be audited in the following financial year of this section, till further notice from National Treasury

2. SUPPLY CHAIN MANAGEMENT UNIT:

The Supply Chain Management Unit operates under the direct supervision of the Chief Financial Officer and is led by the SCM Manager.

2.1 The structure of the SCMU covers the following disciplines within Supply Chain Management:

- Demand Management : Demand Planning; Specifications; Evaluation and Adjudication.
- Acquisition Management : Procurement of Goods & Services below R200 000- Purchasing/Buyer's Division
Procurement of Goods & Services above R200 000- Procurement/Bid Division

- Logistics Management : Inventory Management- Municipal Stores
- Contract Management : Monitoring the performance and administration of Contracts procured through the SCM process.
- Database Administration: Breede Valley Suppliers Database as Primary database; Intervention with the Western Cape Suppliers Database (WCSD)(PT) and the Central Supplier Database (CSD)(NT)
- Expenditure Management : Creditors expenditure and efficiencies dealing with Goods and services payments; Governmental and Non- Governmental institutions.
- Payroll Management : Salaries and HR Contractual payments; Subsistence and Travel expenditure; Third Party Payments and EPWP payments

The staff complement in the SCMU consists of a total of 42 officials.

The existing organogram (2018/2019) within SCM was changed and adopted by council within the financial year under review, which will be impacting operations within the new financial year (2019/2020). The effect of these changes is that the expenditure and payroll sections will be reporting to financial planning within the Finance Directorate and the stores reporting directly to the Senior SCM Manager.

3.2 New appointments and Additions to the SCM unit:

The following appointments were made during the year under review:

- a) Accountant: Salaries - Ms Thina Beje;
- b) Senior Clerk: Creditors – Mr Sharief van Heerden;
- c) Principle Clerk: Bid Contract Administration – Mr Jason Gordon;
- d) Senior Clerk: Payroll - Mr Juhaine Swartbooi

3.3 Resignations:

The following officials resigned during the year under review:

- a) Ms. Mandy Ngubelanga: Senior Clerk: Procurement
- b) Ms. Charmaine Cupido: Senior Clerk: Creditors

3.4 Vacancies to be filled:

The following vacancies still exist, and management is working hard to get them filled:

- a) Senior Clerks: Procurement X 2;
- b) Principal Clerk: Creditors;
- c) Clerk: Cheques and Petty Cash;
- d) Clerk: Stores;
- e) General Assistant/ Cleaner.

The SCM unit consists out of two sub-departments, namely; SCM Procurement and secondly, Expenditure and Logistics.

The SCM Procurement department, consist out of 4 sub-divisions namely;

1. Data Base Administration;
2. Contract Management;
3. Procurement and
4. Purchasing.

The Expenditure and Logistics consist out of three sub-divisions namely; Stores,

1. Salaries and
2. Payments
3. Stores

As at 30 June 2019 six vacancies existed in the Department, representing an 14.28% vacancy rate. The vacancy rate is below the allowable norm.

3.5 Training and Development:

The following officials are currently involved in relevant further tertiary studies:

Table 1: Officials that are currently involved in relevant further tertiary studies

#	Designation	Name	Study Area
1.	SCM: Database Administration	Busisiwe Xayimpi	Project Management
2.	SCM: Supervisor Stores	Zipho Ceza	Bachelors degree in SCM
3.	SCM: Contract Management	Sinethemba Mpata	Advance Diploma: Accounting
4.	SCM: Senior Clerk Evaluations	Mimi Mphatsoane	Bachelors degree in Administration and Development
5.	Accountant Expenditure	N Sikunana	Bachelors degree in Commerce
6.	Senior Clerk: Purchases	M Africa	Bachelors degree in Administration and Development
7.	Senior Clerk: Procurement	H Anyster	Bachelors degree in Commerce

8.	Senior Clerk: Purchases	E Sampson	Bachelors degree in Administration and Development
9.	Senior Clerk: Purchases	A Sithole	Bachelors degree in Administration and Development
10.	Office Assistant	N Qandashe	Bachelors degree in Administration and Development
11.	Principle Clerk: Bid Contract Administration	J Gordon	Bachelors degree in Commerce

The following senior SCM officials started or completed the minimum competency levels for Managers and Heads of Supply Chain Management units:

Table 2: Officials who started or completed the minimum competency levels

Name of Official	Course	Progress
Salmon Lakay	MMCL Training Completed	Certificate
Katiso Moteetee	MMCL Training Completed	Certificate
Morne Potgieter	MFMA Completed with Unisa For SCM Heads	Certificate

3. DISCUSSION: SUPPLY CHAIN MANAGEMENT SYSTEMS

(a) Demand management

Demand management requires timely planning and management process to ensure that all goods and services which are required are quantified, budgeted for and delivered in a timely and effective manner at the right locations and at the critical delivery dates. These goods and services must be of appropriate quality and quantity at a fair cost.

The SCM Unit has, with support by the Accounting Officer and the Chief Financial Officer implemented SCM via a Demand Management Plan (DMP) as a strategic tool in order to implement the budget. The DMP assists the SCM Unit with the planning of tender processes and, user departments with the planning of the execution and timely completion of projects in alignment with performance targets in the Service Delivery and Budget Implementation Plan.

In order to enhance the demand planning process, an annual Demand Management Plan was developed for the 2018/19 financial year for capital spending. Such plan is continuously monitored.

The 2019/2020 DMP was compiled and submitted to council as part of the budget process in May 2019 in accordance with circular 94 of National Treasury.

(b) Acquisition Management

The system of acquisition management must ensure the following:

- i. That goods and services are procured in accordance with authorized processes only;
- ii. That expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Municipal Finance Management Act (Act 56 of 2003);
- iii. That the threshold values for different procurement processes are complied with;
- iv. That bid documentation, evaluation and adjudication criteria and general conditions of a contract are in accordance with applicable legislations; and
- v. That any Treasury guidelines on acquisition management are properly taken into account.

The new preferential procurement regulations 2017 promulgated for implementation on 1 April 2017 has been taken into consideration as well as the Treasury Circulars that have been issued from time to time.

Purchasing section:

The Purchasing Section is specifically tasked to perform all procurement related functions for the procurement of goods and services with a value up to R200 000 as well as the issuance of orders for procurement with higher values.

All reporting requirements relating this section were fully complied with, included are the following, but not limited to:

- i. Deviations in accordance with paragraph 36 of the policy;
- ii. Monthly awards in accordance with paragraph 5 of the policy
- iii. Monthly reports on cases where three quotations could not be obtained, in accordance with paragraphs 16 and 17 of the policy;
- iv. Premiums paid and
- v. Any other SCM matters that are prescribed.

Bid Committee Systems

A Bid Committee system for competitive bids has since been established and is fully operational. It comprises of the Bid Specification, Evaluation and Adjudication committees. The committees meet regularly. The Accounting Officer appoints members of each committee taking into account Section

117 of the MFMA. All tenders that have been approved by the Bid Adjudication Committee are reported on a monthly basis.

Table 3: The ten highest bids awarded by the Bid Adjudication Committee and the Accounting Officer are as follows:

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV671/2019	Supply, delivery, installation and commissioning of HV switchgear at the Gasnat substation, Worcester	Technical Services	Ampcor Khanyisa (Pty) Ltd	2,317,243.34
BV716/2019	Short Term Insurance Services for the period ending 30 June 2021	Financial Services	Marsh (Pty) Ltd	*14,310,539.41
BV753/2019	Construction of a material recovery facility at Worcester	Technical Services	Amandla GCF Construction cc	29,920,127.28
BV755/2019	Resurfacing of various municipal roads for the period ending 30 June 2021	Technical Services	Imvula Roads and Civils (Pty) Ltd	*26,566,755.15
BV729/2018	Construction of a shared economic infrastructure facility (seif) for informal traders and pedestrian facilities in Zwelethemba	Office of the Municipal Manager	WJ Bou en Siviele Ingenieurs Kontrakteurs cc	5,944,930.75

Bid number	Title of bid	Directorate	Successful bidder	Value of bid awarded (R)
BV730/2018	Supply, installation and management of a STS compliant prepayment electrical vending system for a period ending 30 June 2021	Technical Services	Syntell (Pty) Ltd	26,613,922.95
BV722/2018	Supply and delivery of combination high pressure water and vacuum drain cleaning machine onto a single chassis	Technical Services	Shorts Nissan cc	3,800,505.79
BV703	Supply and delivery of 4x4 truck with hydraulic crane and accessories (pole manipulator and aerial platform)	Technical Services	Truck City (Pty) Ltd	3,438,567.00
BV701	Rental of multi-functional office machines (inclusive of related services) for a period not more than 3 years	Strategic Support Services	Konica Minolta SA (Pty) Ltd	*4,984,981.40
BV741/2018	Supply and delivery of water purifying chlorine for the period ending 30 June 2021	Technical Services	ChlorCape (Pty) Ltd	*5,453,122.38

*Envisaged expenditure over the contract period

Appeals/ Objections by aggrieved bidders

Paragraph 49 of the Municipal Supply Chain Management Regulations allows the aggrieved bidders the opportunity to lodge objections (with proper motivation) against the decision(s) taken by the Bid Adjudication Committee, within 14 days from date of notification thereof.

Alternatively, should they wish to lodge an appeal in terms of Section 62 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000) against the award of the tender, such appeal is to be lodged within 21 days from date of the notification. For the year under review, fourteen (14) objections/ appeals were recorded.

Table 4: Objections/ appeals recorded for the financial year.

<u>DATE RECEIVED</u>	<u>BID NUMBER</u>	<u>TENDER DESCRIPTION</u>	<u>OBJECTION/ APPEAL LODGED BY</u>	<u>DATE RESOLVED</u>	<u>OUTCOME OF THE OBJECTION / APPEAL PROCESS</u>
25/03/2019	BV717/2018	SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING FOR THE PERIOD ENDING 30 JUNE 2021	Pienaar Brothers (Pty) Ltd	16/04/2019	The decision of the Bid Adjudication Committee meeting, held on 20 March 2019, was maintained without any amendment.
2/4/2019			TR Supply cc t/a TRF Sport	16/04/2019	
6/5/2019	BV761/2019	UPGRADING OF SPRINGVELDT LINK	New Morning Construction cc	15/05/2019	The decisions of the Bid Adjudication Committee meetings, held on 29 April 2019 and 2 May 2019, respectively, were revoked. The matters were referred back to the Bid Evaluation Committee for re-evaluation.
6/5/2019	BV771/2019	CONSTRUCTION OF PEDESTRIAN BRIDGE IN TOUWS RIVER	New Morning Construction cc	15/05/2019	
4/6/2019	BV 762/ 2019	IMPLEMENTATION OF REVENUE ENHANCEMENT STRATEGY (INCLUDING DATA CLEANSING) FOR THE PERIOD ENDING 30 JUNE 2021	Revenext (a Business unit of Nextec Advisory) (Pty) Ltd	12/6/2019	The decision of the Bid Adjudication Committee meeting, held on 23 May 2019, was maintained without any amendment
7/6/2019	BV772/ 2019	GROUP LIFE INSURANCE SCHEME (INCLUSIVE OF AN OPTIONAL FUNERAL COVER) FOR THE PERIOD ENDING 30 JUNE 2022	Wynsam Health	21/06/2019	The decisions of the Bid Adjudication Committee and the AO of 6 June 2019 were maintained without any amendment
19/06/2019	BV 716/ 2019	SHORT TERM INSURANCE SERVICES FOR THE FOR THE PERIOD ENDING 30 JUNE 2022	Lateral Unison Insurance Brokers	25/06/2019	The decisions of the Bid Adjudication Committee and the AO of 6 June 2019 were maintained without any amendment

AGENDA

6th COUNCIL MEETING OF THE
BREEDE VALLEY MUNICIPALITY

2019-07-23

12/03/2019	BV731/2019	RENTAL OF PLANT, MACHINERY AND VEHICLES FOR THE PERIOD ENDING 30 JUNE 2019	Era Lighting cc	13/03/2019	The decision of the Bid Adjudication Committee was maintained without any amendment.
25/03/2019	BV717/2019	SUPPLY AND DELIVERY OF PROTECTIVE CLOTHING FOR THE PERIOD ENDING 30 JUNE 2020	1. Pienaar Brothers (Pty) Ltd 2. TRF Sport cc	16/04/2019	The decision of the Bid Adjudication Committee was maintained without any amendment.
13/12/2018	BV701	RENTAL OF MULTI-FUNCTIONAL OFFICE MACHINES (INCLUSIVE OF RELATED SERVICES) FOR A PERIOD NOT MORE THAN 3 YEARS (36 MONTHS)	Hybrcode (Pty) Ltd t/a Nashua Breedevallei and Sky Metro Equipment (Pty) Ltd	18/03/2019	The decision of the Bid Adjudication Committee was maintained without any amendment.
21/12/2018	BV730/2018	SUPPLY INSTALLATION AND MANAGEMENT OF A STS COMPLIANT PREPAYMENT ELECTRICITY VENDING SYSTEM FOR A PERIOD ENDING 30 JUNE 2021	Ontec Systems (Pty) Ltd	22/01/2019	The decision of the Bid Adjudication Committee was maintained without any amendment.
04/07/2018	BV656	SUPPLY, DELIVERY, OFF-LOADING AND ERECTION OF HIGH MAST LIGHTS IN BREEDE VALLEY MUNICIPAL AREA (WORCESTER, DE DOORNS)	Lermat and Carbon Reduction Technologies (CRT) Joint Ventures	04/07/2018	The decision of the Bid Adjudication Committee that sat on 23 May 2018 was maintained without any amendment

AGENDA

**6th COUNCIL MEETING OF THE
BREED VALLEY MUNICIPALITY**

2019-07-23

13/07/2018	BV696	SUPPLY, DELIVERY, INSTALLATION AND COMMISSIONING OF A HUMAN RESOURCE MANAGEMENT SYSTEM, PAYROLL SYSTEM AS WELL AS A TIME AND ATTENDANCE SYSTEM (INCLUSIVE OF SUPPORT SERVICES) FOR A PERIOD NOT EXCEEDING THREE (3) YEARS	Bytes Systems Integration a Division of Altron TMT	27/07/2018	The decision of the Bid Adjudication Committee that sat on 27 July 2018 was maintained without any amendment
31/07/2018	BV693	PROVISION OF SECURITY SERVICES FOR A PERIOD NOT EXCEEDING THREE (3) YEARS	Global Force Security Services	12/09/2018	The decision of the Bid Adjudication Committee that sat on 27 July 2018 was maintained without any amendment

Deviations from normal procurement processes

Paragraph 36(1)(b) of the policy allows the Accounting Officer to dispense with the official procurement processes established by the Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (i) In an emergency;
- (ii) If such goods or services are produced or available from a single provider only;
- (iii) For the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) Acquisition of animals for zoos and/or nature and game reserves; or
- (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes.

For the year under review, the Accounting Officer approved 84 deviations to estimated amount of R25,734691.09 (VAT Included). Such deviations were reported in the next ordinary meeting of Council.

It must be borne in mind that the deviations for the year under review are currently under a reconciliation process which shall result in the following:

- (i) The number of deviations decreasing as a result of orders that had to be cancelled due to year-end processes;
- (ii) The reason for a particular deviation changing from one, to another, based on its merit and explanation;
- (iii) The amount of the deviation changing (decreasing or increasing).

This process is mandatory and important in order to ensure that the Annual Financial Statements are not misstated. The true and correct amount for all the deviations shall be disclosed in the 2018/19 Annual Financial Statements.

In comparison to the previous financial year there is a decrease in number of deviations, however an increase in value, which can be explained due to the change in provision/supply of fuel from the municipal stores to outsourced vendors, which necessitate an interim SCM process to make provision for the non e-fuel vehicles and equipment, during the implementation phase. The RT46 Transversal agreement of National Treasury was utilized.

Accredited Suppliers Database

In terms of Paragraph 14(1)(a) of Council's Supply Chain Management Policy, the Accounting Officer is required to keep a list of accredited prospective providers of goods and services (Supply Chain Database). In terms of the municipality's legislative requirement, interested suppliers were requested to register on our database by advertisement and via Breede Valley Municipality's

Jamboree (supplier/community outreach programme). Current suppliers are requested on a quarterly basis to update their registration information.

Currently there are about 4781 accredited suppliers are registered on the Breede Valley Supply Chain Database. Many initiatives are conducted annually in order to assist suppliers with the completion of SCM Database forms.

In 2014/2015 the Western Cape Government began an initiative of moving towards an integrated, centralised Supplier Database that will be managed by Ariba. All Departments of the Western Cape Government including Local- and District Municipalities were involved with this Provincial Treasury driven initiative. Road shows were held in order to promote and fast track registration on Western Cape Supplier database (WCSD) and Central Supplier database, however National Treasury embarked at the end of 2015 on a similar project for all spheres of Government, which created the expectation that this project will be finalised and implemented by 1 July 2017. Due to the indemnification of the correctness of the data, by National Treasury, the data correctness held a compliance risk to local government. Therefor the Central Supplier Database gets used for verification purposes only.

(c) Logistics management

The system of logistics management must ensure the following:

- (i) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (ii) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (iii) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - (iv) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
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- (v) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secured and only used for the purpose for which they were purchased;
- (vi) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and Proper measures are still in place to ensure that the above elements are fully adhered to.

(d) Disposal management

The system of disposal management must ensure the following:

- (i) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (ii) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- (iii) Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- (iv) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
- (v) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- (vi) Where assets are traded in for other assets, the highest possible trade-in price is negotiated.

For the year under review, no immovable assets (properties) were disposed. Various vehicles were disposed by way of an auction, due to the fact that it was no longer viable and economical to repair them.

(e) Contract Management (CM)

The SCM Unit established a new sub-unit namely the Contract Management Office during 2017/2018, which will primarily focus on SCM Contracts above R200 000, which are procured through an SCM process. The following objectives were set for the CM Office for 2017/2018 and 2018/2019 financial year:

- i. The Breede Valley Contract Management function has been centralised into the Contract Management Office, reporting to the Manager Procurement.
- ii. Aligning the Contract management procedures and systems with the rest of the SCM functions and Expenditure department.
- iii. Formalise and implement a new Contract Management Framework which already forms part of the SCM Policy.
- iv. All contracts resulting from SCM Paragraph 36 Deviations above a value of R 100,000.00 (Incl. VAT) and formal written quotations will be monitored additionally in the 2018/ 2019 financial year monitored on performance and administrative compliance.
- v. The implementation of an electronic Contract Management System, Electronic SCM Archive, Electronic Database Archive.
- vi. The implementation of a full electronic purchasing system.
- vii. On full implementation of the system, monthly reports will be distributed to all contract champions on the contract status of SCM contracts.
- viii. Control and safekeeping of contract documents, in conjunction with the records department, have been improved and will be further enhanced with an electronic system in the new financial year.
- ix. With the establishment and inclusion of the Contract Management function within SCM, performance management on all contracts will be monitored and reported to the executive management on a monthly basis.
- x. Contracts of a repeatable nature, due to its nature to provide continuous service delivery, will be monitored by the office and notifications for renewal will be sent 6 months prior to the end date of the contract to contract champions.
- xi. Regular monitoring and review of the supplier vendor performance to ensure compliance with specifications and contract conditions for particular goods or services, is conducted.

The following table illustrates the status of contracts as at 30 June 2019:

Table 5: status of contracts as at 30 June 2019

STATUS	QUANTITY
Active contract	80
Expired contract	13
Expiring contract in the next 4 months	2
Cancelled Contract	0
Extended Contract	2

(f) Conclusion:

The Breede Valley Municipality has been implementing the Supply Chain Management Regulations diligently through the Supply Chain Management Policy.

Contract Management, Demand Management and the combating of Irregular Expenditure still remain key focus areas in the implementation of supply chain management within the municipality.

The objective of the 2018/2019 financial year was to have a fully integrated SCM IT system, which operates on a Standard Chart of Accounts base for Local Government (mSCOA) that will further enhance procedural controls, efficiency and legislative compliance, from a centralized platform.

Breede Valley Municipality continuously strives not only to ensure compliance to legislative frameworks, but also to improve administrative and procedural efficiency, thereby giving effect to its Constitutional mandate in terms of Section 152 of the Constitution.

RECOMMENDATION

In respect of

**ANNUAL SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT: 1 JULY 2018
TO 30 JUNE 2019**

as discussed by Council at the Council Meeting held on 23 July 2019:

- a) That the Supply Chain Management Implementation Report for the 2018/19 financial year submitted in terms of paragraph 6 of the Supply Chain Management Policy, be noted;
- b) that following the provisions of paragraph 6 of the Supply Chain Management Policy, the report be made public in accordance with Section 21A of the Local Government: Municipal Systems Act, No. 32 of 2000; and
- c) that the schedules of deviations, shall form part of the Annual Financial Statements for the 2018/19 financial year;
- d) that the schedule (register) of the "Unauthorised, Irregular, Fruitless and Wasteful Expenditure", contains zero amount.

To Action

R. Ontong
