

## **ITEM :**

### **REPORT BY THE CHIEF FINANCIAL OFFICER**

#### **QUARTERLY SCM VALUE-ADDED REPORT AT 30 JUNE 2012**

#### **PURPOSE OF THE REPORT**

The purpose of the report is to inform Council tenders on empowerment goals of bids awarded above R30 000 & R200 000, public tenders awarded, projects validity turn-around time, contract management and the annual project procurement tender planning template reports for the financial year 2011/2012 from 01 April to 30 June 2012, for notification.

#### **LEGISLATIVE / STATUTORY REQUIREMENTS**

The Municipal Finance Management Act of 56 of 2003 section 79 and 106 and Municipal Supply Chain Management Regulations - Gazette 27636 of 30 May 2005, Section 5 on sub-delegations number (1-6) states that:-

*(3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with sub delegation (2) must within five days of the end of each month submit to the official referred to in subsection (4) a written report containing particulars of each final award made by such official or committee during the month, including-*

- a) The amount of the award*
- b) The name of the person to whom the award was made , and*
- c) The reason why the award was made to that person*

*(4) A written report referred to in sub regulation (3) must be submitted to the chief finance officer or senior manager responsible for the relevant bid, in the case of an award by a manager directly accountable to the CFO or the senior manager.*

Furthermore, the Municipal Finance Management Act of 56 of 2003 section 116 on contract management states that the municipality can terminate the contract in case of non- or under performance and sub-section (d) says that the municipality must regularly report to council on management of contracts and performance of the contractors.

#### **BACKGROUND, EXPOSITION, FACTS AND PROPOSALS**

In terms of Council's policy, the Bid Adjudication Committee shall comprise of at least six members and is chaired by the Chief Finance Officer. Council's Bid Adjudication Committee comprises of the Chief Financial Officer, Manager Infrastructure Development, Divisional Manager Council Committees, Manager Social Services and Manager Planning and Economic Development. The Committee makes recommendations to the Municipal Manager. Bid Evaluation Committee consist of 6 members chaired by Divisional Manager Legal Services and their responsibility is to evaluate all tenders and make recommendation to the Bid Adjudication Committee.

In terms of SCM Regulations such report will comprise of the following:-

- a) The amount of the award
- b) The name of the person to whom the award was made , and
- c) The reason why the award was made to that person
- d) The department responsible
- e) The date the order/ cheque was made

The reports on awards through tendering process, notice board system and quotation system do not include the deviations from the Supply Chain Management Policy which occurred during the quarter.

### **STAFF IMPLICATIONS**

None

### **FINANCIAL IMPLICATIONS**

See attached Annexures

### **OTHER PARTIES CONSULTED**

Section 57 managers  
Accounting Officer  
Chief Financial officers

### **ANNEXURES**

Annexure A	-	Awards above R30 000 with empowerment goals – 30 June 2012
Annexure A2	-	Awards above R 200 000 with empowerment goals – 30 June 2012
Annexure A3	-	Summary of empowerment goals (A1 + A2) – 30 June 2012
Annexure B	-	Tenders awarded above R200 000 –30 June 2012
Annexure C	-	Tender validity turn-around report – 30 June 2012
Annexure D1	-	2009/2010 Contract Management Report – 30 June 2012
Annexure D2	-	2010/2011 Contract Management Report – 30 June 2012
Annexure D3	-	2011/2012 Contract Management Report – 30 June 2012
Annexure E	-	Project Procurement Planning Template – 30 June 2012

### **AUTHORITY**

Municipal Finance Management Act, No 56 of 2003.  
Municipal Supply Chain Management Regulations - Gazette 27636 of 30 May 2005  
WDM Revised Supply Chain Management Policy as at 29 June 2010

**RECOMMENDATION:**

That:

1. The following SCM quarterly value-added reports for the quarter ending 30 June 2012 be noted:
  - 1.1. Awards above R30 000 with empowerment goals;
  - 1.2. Awards above R 200 000 with empowerment goals;
  - 1.3. Summary of empowerment goals
  - 1.4. Tenders awarded above R200 000;
  - 1.5. Tender validity turn-around report;
  - 1.6. 2009/2010 Contract Management Report;
  - 1.7. 2010/2011 Contract Management Report;
  - 1.8. 2011/2012 Contract Management Report; and
  - 1.9. Project Procurement Planning Template