

ITEM :

REPORT BY THE CHIEF FINANCIAL OFFICER

ANNUAL SCM VALUE-ADDED REPORT AT 30 JUNE 2012

PURPOSE OF THE REPORT

The purpose of the report is to inform Council of contract entered into, performance of service providers, long terms contracts, empowerment goals of bids awarded, tender turnaround time and contract management of all tenders during the financial year 2011/2012 from 01 July 2011 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.

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 year as these are reported in a separate item.

STAFF IMPLICATIONS

None

FINANCIAL IMPLICATIONS

See attached Annexures

OTHER PARTIES CONSULTED

Section 57 managers
Accounting Officer
Chief Financial officers

ANNEXURES

- Annexure A - Contract entered into during the 11/12 year
- Annexure B - List of poor performing service providers for the 11/12 year
- Annexure C1 - Long term contracts entered into during the 11/12 year
- Annexure C2 - Long terms contract effective during the 11/12 year
- Annexure D - 11/12 Tenders Awarded Empowerment Goals achieved
- Annexure E - Tender validity turn-around times for the 11/12 year
- Annexure F - 11/12 Contract Management Report

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 annual value-added reports for the 11/12 year ending 30 June 2012 be noted:
 - 1.1. Tender awarded;
 - 1.2. Poor performing service providers;
 - 1.3. Long term contracts entered into during the 11/12 year
 - 1.4. Long terms contract effective during the 11/12 year
 - 1.5. Summary of 11/12 empowerment goals achieved
 - 1.6. Tender validity turn-around times; and
 - 1.7. Contract Management;