

ITEM :

REPORT BY THE CHIEF FINANCIAL OFFICER

QUARTERLY SCM VALUE-ADDED REPORT AT 31 DECEMBER 2012

PURPOSE OF THE REPORT

The purpose of the report is to inform Council tenders on empowerment goals of bids awarded above R 30 000 & R 200 000, public tenders awarded, projects validity turn-around time, contract management and the annual project procurement tender planning template reports for the financial year 2012/2013 from 01 October to 31 December 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 Executive Support, Manager Social Services and Manager Planning and Economic Development. There are currently vacancies for the Manager Infrastructure Development and Manager Corporate Support and Shared Services as the acting managers in the positions are already permanently appointed on the Bid Evaluation Committee. 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 recommendations 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,
- 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 A1	-	Awards above R30 000 with empowerment goals – 31 December 2012
Annexure A2	-	Awards above R 200 000 with empowerment goals – 31 December 2012
Annexure A3	-	Consolidated empowerment goals – 31 December 2012
Annexure B	-	Tenders awarded above R200 000 – 31 December 2012
Annexure C	-	Tender validity turn-around report – 31 December 2012
Annexure D1	-	2009/2010 Contract Management Report – 31 December 2012
Annexure D2	-	2010/2011 Contract Management Report – 31 December 2012
Annexure D3	-	2011/2012 Contract Management Report – 31 December 2012
Annexure D4	-	2012/2013 Contract Management Report – 31 December 2012
Annexure E	-	Project Procurement Planning Template – 31 December 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

RECOMMENDATIONS:

That:

1. The following SCM quarterly value-added reports for the quarter ending 31 December 2012 be noted:
 - 1.1. Awards above R30 000 with empowerment goals;
 - 1.2. Awards above R 200 000 with empowerment goals;
 - 1.3. Consolidated 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;
 - 1.9. 2012/2013 Contract Management Report; and
 - 1.10. Project Procurement Planning Template