

# **REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE QUARTER ENDING 30 JUNE 2016**

File number / Verwysingsnommer: 8/B

Meeting date / Vergadering datum: 27 July 2016

Report by / Verslag deur: Manager: SCM

## **STRATEGIC PURPOSE / STRATEGIESE REDE**

*Efficient, cost effective and best quality service delivery through good financial management.*

## **PURPOSE OF REPORT / DOEL VAN VERSLAG**

To report to the Mayor in terms of Section 6(3) of the Municipal Supply Chain Management Regulations of 2005 (MSCM regulations) on the implementation of the Supply Chain Management (SCM) Policy for the quarter ending 30 June 2016, in order to give effect to the oversight role of Council.

## **BACKGROUND AND DISCUSSION / AGTERGROND EN BESPREKING**

Section 6 (3) of the MSCM regulations requires that the Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the SCM policy to the Mayor.

Please find attached the report regarding the implementation of the SCM policy for the quarter ending 30 June 2016.

## **COMMENTS: MUNICIPAL MANAGER / KOMMENTAAR: MUNISIPALE BESTUURDER**

The report is noted.

## **COMMENTS: DIRECTOR CORPORATE SERVICES / KOMMENTAAR: DIREKTEUR KORPORATIEWE DIENSTE**

Noted.

## **COMMENTS: DIRECTOR FINANCE / KOMMENTAAR: DIREKTEUR FINANSIES**

The success of the implementation of SCM Regulations and Policy is noted in the report.

## **COMMENTS: DIRECTOR PLANNING AND ENVIRONMENTAL AFFAIRS / KOMMENTAAR: DIREKTEUR BEPLANNING EN OMGEWINGSACE**

## **COMMENTS: DIRECTOR TECHNICAL SERVICES / KOMMENTAAR: DIREKTEUR TEGNIESE DIENSTE**

**COMMENTS: DIRECTOR COMMUNITY SERVICES / KOMMENTAAR: DIREKTEUR  
GEMEENSKAPSDIENSTE**

**COMMENTS: MANAGER LEGAL SERVICES / KOMMENTAAR: BESTUURDER REGSDIENSTE**

**COMMENTS: OTHER / KOMMENTAAR: ANDER**

**RECOMMENDATION / AANBEVELING**

That the Committee takes note of the implementation of SCM Policy for the quarter ending 30 June 2016.

**ATTACHMENTS / STAWENDE DOKUMENTE**

Quarterly report for quarter ending 30 June 2016.

**AGENDA REFERENCE: 6.2.5**

**RESOLUTION:**

That the Executive Mayoral Committee takes note of the implementation of SCM Policy for the quarter ending 30 June 2016.

## 1. Demand Management

A procurement plan was compiled for the 2015/2016 financial year and was tabled at the August 2015 Finance Portfolio committee meeting. The plan was executed in its totality on 30 June 2016.

## 2. Acquisition Management

### 2.1. Procurement

For the quarter ending 30 June 2016, 974 (809 previous quarter) requisitions was processed by the SCM unit to the value of R 13 090 251.46 (R 9 670 260.36 previous quarter). Table 1 illustrates the number and value of requisitions per department as well as the percentage of total volume and value for the quarter ending 30 June 2016.

Table 1

Department	Requisition Quantity	Requisition R value	% of total nr	% of total value
Corporate Services	108	1 048 769.06	11.09	8.01
Streets, stormwater and parks	214	3 392 056.57	21.97	25.91
Water, Sewerage and Sanitation	59	222 760.50	6.06	1.70
Community Services	63	346 174.78	6.47	2.64
Human Resources	21	941 541.72	2.16	7.19
Traffic	4	17 228.64	0.41	0.13
Office of the Mayor	0	-	0.00	0.00
Financial Services	50	741 244.86	5.13	5.66
Electrical Services	363	4 883 002.34	37.27	37.30
Office of the Municipal Manager	56	1 011 394.04	5.75	7.73
Information Technology	12	86 919.85	1.23	0.66
Planning and Development	23	398 161.60	2.36	3.04
Internal Audit	1	997.50	0.10	0.01
<b>Total</b>	<b>974</b>	<b>13 090 251.46</b>	<b>100.00</b>	<b>100.00</b>

### 3.2. Tenders

For the quarter ending 30 June 2016, twenty-one (21) formal tenders was awarded to the value of R 95 285 458.82 (VAT excluded). Five (5) informal tenders were awarded to the value of R 436 502.77 (VAT excluded). During this period one (1) formal tender and four (4) informal tenders were cancelled. Also during this period six (6) contract and agreement was extended and one (1) regulation 32 appointments was made. Table 2 indicates the tenders awarded and regulation 32 awards, tenders extended, agreement extended and regulation 36 awards made by the BAC, and where the bidders are situated.

Table 2

Formal tenders						
Nr	Tender	Amount (Excl. VAT)	Amount Extended(Excl. VAT)	Local	Eden	Other
1	HES-WRS 01/1516 UPGRADING OF WATER MAINS IN RIVERSDALE WF CONSTRUCTION	R 2 085 600.00				X
2	HES-EL 07/1516 SUPPLY AND DELIVERY OF ONE (1) NEW TRACTOR WITH CAB AND LOADER BUCKET MBRIERS LANDBOUDIENSTE CC	R 580 000.00		X		
3	HES-SSPO 06/1516 PAVING OF ROADS IN RIVERSDALE FOR THE HESSEQUA MUNICIPALITY BENVER CIVILS AND PLANT HIRE	R 1 186 300.00			X	
4	HES-ICT 01/1516 SUPPLY AND DELIVERY OF FILE SERVER AND BACKUP TAPE LIBRARY FIRST TECHNOLOGY WESTERN CAPE	R 412 465.00				X
5	HES-WRS 06/1516 UPGRADING OF JONGENSFONTEIN WASTE WATER TREATMENT WORKS A2 LOODGIETERS	R 2 180 750.00			X	
6	HES-WRS 07/1516 CONSTRUCTION OF NEW FENCING - MELKHOUTFONTEIN WASTE WATER TREATMENT WORKS SHARON ROSE TRADING CC	R 411 814.7				X
7	HES-SSPO 13/1516 CLEANING OF RESIDENTIAL AREAS BY MEANS OF SMALL CONTRACOTRS					
	AN DARIES	R 105 000.00		X		

	C WILLEMSE	R 129 750.00		X		
	ENNOBLEBURU JOINT VENTURE	R 89 055.00		X		
8	HES-SSPO 15/1516 UPGRADING OF ROADS AND STORMWATER IN SLANGRIVIER ENTSHA HENRA	R 4 809 078.75			X	
9	HES-COM 01/1516 SUPPLY AND DELIVERY OF VERTICAL TANKS FOR THE HARVESTING OF RAIN WATER TUINROETE AGRI (PTY) LTD	R 177 187.50		X		
10	HES-EL 05/1516 SUPPLY AND DELIVERY OF ONE (1) NEW DOUBLE CAB TRUCK WITH DROP SIDE LOAD BODY CP NEL MOSSEL BAY	R 397 475.00			X	
11	HES-CORP 01/1516 SUPPLY, DELIVERY AND INSTALLATION OF BIOMETRIC READERS CSX CUSTOMER SERVICES (PTY) LTD	R 329 830.64				X
12	HES-WRS 05/1516 IMPROVING THE DRINKING WATER QUALITY FOR GOURITSMOND URHWEBO E-TRANSAND	596 837.00			X	
13	HES-SSPO 14/1516 UPGRADING OF STORMWATER RETICULATION SYSTEM IN MELKHOUTFONTEIN ACV CIVILS	2 839 200.00				X
14	HES-FIN 02/1516 MANAGEMENT OF SHORT TERM INSURANCE PORTFOLIO FOR THREE (3) YEARS (01 JULY 2016 - 30 JUNIE 2019) AON SOUTH AFRICA	VARIOUS				X
15	HES-CORP 04/1516 SUPPLY, DELIVERY AND INSTALLATION OF TWO (2) BOOK DETECTION SYSTEMS AND FIVE (5) PATRON COUNTERS QUALITY LABEL SOLUTIONS CC	269 204.83				X
16	HES-SSPO 16/1516 REPAIR OF EXTENSIVE FLOOD DAMAGE	R 31 185 239.80			X	

	TO VARIOUS ROADS AND STORMWATER INFRASTRUCTURE IN RIVERSDALE BENVER CIVILS AND PLANT HIRE					
17	HES-CORP 05/1516 IMPLEMENTATION OF TELECOMMUNICATION SYSTEM FOR HESSEQUA MUNICIPALITY VOX TELECOMMUNICATIONS (PTY) LTD	VARIOUS				X
18	HES-FIN 07/1516 TAKING UP OF AN EXTERNAL LOAN THE STANDARD BANK OF SOUTHERN AFRICA LIMITED	43,000,000.00 (11.31%)				X
19	HES-WRS 08/1516 UPGRADING OF SEWER INFRASTRUCTURE IN MELKHOUTFONTEIN PHAMBILI CIVILS	R 3 343 434.6			X	
20	HES-EL 12/1516 SUPPLY AND DELIVERY OF 350 KVA EMERGENCY GENERATOR FOR STILL BAY WASTE WATER TREATMENT WORKS EXCELLENT ELECTRICAL PROJECTS	R 643 800.00				X
21	HES-SSPO 03/1516 UPGRADING OF TIDAL POOL IN GOURITSMOND PHAMBILI CIVILS	R 513 436.00			X	
	<b>Total</b>	<b>R 95 285 458.82</b>				
	<b>Informal tenders</b>					
1	HES-CORP INF 15/1516 PAINTING OF ALBERTINIA OFFICES (EXTERIOR) DJ GELDERBLOM BOUERS	44 500.00		X		
2	HES-CORP INF 16/1516 WATER PROOFING OF CONCRETE ROOF BRAINWAVE PROJECTS 1260 CC	63 590.17			X	
3	HES-SSPO INF 01/1516 SUPPLY AND ERECTION OF DIAMOND MESH WIRE FENCING AT STEYNSKLOOF WASTE DISPOSAL SITE, RIVERSDALE SHARON ROSE TRADING CC	141 220.00				X

3	HES-EL INF 01/1516 REPLACE ROOF OF POWERSTATION WORKSHOP AND STORES BUILDING, RIVERSDALE DJ GELDERBLOM-BOUERS	35 000.00		X		
4	HES-CORP INF 17/1516 REMOVING OF EXISTING CARPETS AND THE SUPPLY, DELIVERY AND INSTALLATION OF NEW CARPETS AT RIVERSDALE LIBRARY TOP CARPETS AND FLOORS GEORGE	90,912.60			X	
5	HES-PLAN INF 03/1516 DEVELOPMENT OF A NATURE RESERVE MANAGEMENT PLAN FOR ERF 126, JONGENSFONTEIN NCC ENVIRONMENTAL SERVICES	R 61 280.00		X		
	<b>Total</b>	<b>R 436 502.77</b>				

**Tenders/ Agreements Extended**

Nr	Tender	Amount (Excl. VAT)	Amount Extended(Excl. VAT)	Local	Eden	Other
1	EXTENSION OF TENDER HES-SSPO 04/1516: New paved streets in Preekstoel, Jongensfontein and Witsand URHWEBO E-TRANSAND	898 026.66	100 000.00		X	
2	EXTENTION OF COLLABORATOR AGREEMENT WITH BUSINESS ENGINEERING (Collab 946330) BUSINESS ENGINEERING	1 792 695.11	105 385.00		X	
3	EXTENTION OF TENDER HES-SSPO 04/1516 (EXTENTION OF TIME) NEW PAVED STREETS IN JONGENSFONTEIN & PREEKSTOEL. (COLLAB 957588) URHWEBO E-TRANSAND	completion period of 13 weeks	be extended to 17.5 weeks		X	
4	BAC 30-06-2016 EXTENTION OF TENDER HES-SSPO 02/1415 SUPPLY OF COLD PREMIX IPATCH	219 298.25	R 17 543.86		X	
5	BAC 30-06-2016 EXTENTION OF TENDER HES-WRS 04/1213 COLLECTING OF RECYCABLE WASTE IN HESSEQUA MUNICIPAL AREA COLLAB HENQUE WASTE	2 494 774.80	193 076.05	X		

6	BAC 30-06-2016 EXTENTION OF TENDER HES-FIN 03/1314 THE SELLING OF PREPAID ELECTRICITY BY VARIOUS VENDERS IN HESSEQUA MUNICIPALITY	VARIOUS	VARIOUS	X		
	<b>Total</b>	<b>R 5 404 794.82</b>	<b>R 416 004.91</b>			
<b>Regulation 32 Appointments</b>						
1	NONE					
1	REGULATION 32 APPOINTMENT Transversal agreement with the West Coast District Municipality for training on learnerships for water and wastewater reticulation services. AURECON SOUTH AFRICA (PTY) LTD	R 373 771.93				X
	<b>Total</b>	<b>R 373 771.93</b>				
<b>Regulation 36 Appointments</b>						
1	DEVIATION IN TERMS OF SEC 3.2.10 OF HESSEQUA MUNICIPAL SCM POS Repairs to CAT D5 VAN SCHALKWYK MOTOWERKE	R 48 089.07		X		
2	DEVIATION IN TERMS OF SEC 3.2.10 OF HESSEQUA MUNICIPAL SCM POS Purchase of computer system to regulate geysers during peak electricity usage. POWERTECH SYSTEM INTEGRATORS (PTY) LTD	R 59 998.71				X
3	DEVIATION IN TERMS OF SEC 3.2.10 OF HESSEQUA MUNICIPAL SCM POS Professional legal services rendered by S A Hofmeyr and Son, and Advocates Farlam and Engela in the matter Hessequa Municipality/ EntshaHenra S A HOFMEYR AND SON	R 125 474.11		X		
4	DEVIATION IN TERMS OF SEC 3.2.10 OF HESSEQUA MUNICIPAL SCM POS Repairs to CEG 5459 GEORGE MECHANICAL	R 27 737.00		X		



5	DEVIATION IN TERMS OF SEC 3.2.10 Purchase of a second hand bull dozer BUBESI EQUIPMENT	R1 450 000.00				X
6	DEVIATION IN TERMS OF SEC 3.2.10 Extension of tender HES-GEN INF 06/1314: Chlorine and Hazchem training METSU CHEM IKAPA (PTY) LTD	R 108 000.00			X	
7	DEVIATION IN TERMS OF SEC 3.2.10 Repairs to CCC 4321 M BRIERS LANDBOUDIENSTE	R 27 656.08		X		
8	DEVIATION IN TERMS OF SEC 3.2.10 Peace officer training MALOA ACADEMY	R 43 071.05				X
9	DEVIATION IN TERMS OF SEC 3.2.10 Repairs to pump at Attie Nel bore hole HSM Amanzi Pump and Sewerage Engineers CC	R 86 420.00				X
10	DEVIATION IN TERMS OF SEC 3.2.10 Repair to aerator no.2 at the Albertinia waste water treatment works G W TRAUTMAN CC	R 67 454.39				X
11	BAC 13/05/2016 DEVIATION FROM THE OFFICIAL PROCUREMENT PROCESS IN TERMS OF SEC 3.2.10 Branding of waste compactor trucks CINNABAR GRAPHIC DESIGN	44 627.19			X	
12	BAC 20/05/2016 DEVIATION FROM THE OFFICIAL PROCUREMENT PROCESS IN TERMS OF SEC 3.2.10 Purchase of hand held meter reading devices and training CONSOLIDATED AFRICAN TECHNOLOGIES (PTY) LTD	83 450.00				X
13	BAC 20/05/2016 DEVIATION FROM THE OFFICIAL PROCUREMENT PROCESS IN TERMS OF SEC 3.2.10 Hand held software licenses CONSOLIDATED AFRICAN TECHNOLOGIES (PTY) LTD	109 600.00				X
14	BAC 20/05/2016 DEVIATION FROM THE OFFICIAL PROCUREMENT PROCESS IN TERMS OF SEC 3.2.10	108 414.94				X

	Professional services for the unbundling of infrastructure assets for the asset register AURECON SOUTH AFRICA (PTY) LTD					
15	BAC 20/05/2016 DEVIATION FROM THE OFFICIAL PROCUREMENT PROCESS IN TERMS OF SEC 3.2.10Implementation of a Microsoft System Centre FIRST TECHNOLOGY WESTERN CAPE (PTY) LTD	48 315.80				X
16	BAC 20/05/2016 DEVIATION FROM THE OFFICIAL PROCUREMENT PROCESS IN TERMS OF SEC 3.2.10Software licenses for report writer service FIRST TECHNOLOGY WESTERN CAPE (PTY) LTD	69 666.13				X
17	BAC 20/05/2016 DEVIATION FROM THE OFFICIAL PROCUREMENT PROCESS IN TERMS OF SEC 3.2.10Repairs to CCC 11518 RIVERSDAL TOYOTA	30 405.15		X		
18	BAC 27/05/2016 DEVIATION FROM THE OFFICIAL PROCUREMENT PROCESS IN TERMS OF SEC 3.2.10 REPAIRS MRT 162160(Collab 948763) VAN S MOTORWERKE	50 666.00		X		
19	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 03-06-2016 Service level agreement with CSX Customer Services for a maintenance agreement for the book detection system at Duivenhoks library CSX Customer Services	15 000.00				X
20	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 03-06-2016 Repair of transformers Riversdale Electric and General Dealers	28 870.00		X		
21	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 03-06-2016 Purchase of water meters Elster Kent Metering (Pty) Ltd	26 725.00				X

22	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 03-06-2016 Upgrading of sewerage pump stations in Still Bay, Melkhoutfontein and Jongensfontein  HSM Amanzi Pump and Sewerage Engineers CC	R 754, 400.00				X
23	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 10-06-2016 Branding of waste trucks  3@1 Riversdale	R 47 738.60		X		
24	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 10-06-2016 Replacing of cupboards and sinks in Jongensfontein chalets  W C Glas en Kaste	122 736.84		X		
25	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 20-06-2016 Repairs to CCC 12285  HAH Motors t/a Pro Motors	39 814.21		X		
26	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 20-06-2016 Eden FM service agreement: 1 July 2016 until 30 June 2017  Eden FM	72 000.00			X	
27	DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 20-06-2016 Purchase of outboard motors  Heyneman Yamaha	82 289.00				X
28	DEVIATION IN TERMS OF SEC 3.2.10 BAC 30-06-2016 REPAIRS CCC 9456 MEI 162229 (COLLAB 956888) WS FORESTRY EQUIPMENT REPAIRS CC T/A FLUID AIR HYDRALICS	59 511.15			X	
29	DEVIATION IN TERMS OF SEC 3.2.10 BAC 30-06-2016 ORG PLUS PROFESSIONAL SOFTWARE KIMRU – IT LOGIX (PTY) LTD	94 752.00				X
30	DEVIATION IN TERMS OF SEC 3.2.10 BAC 30-06-2016 SOFTWARE LICENSES FOR REPORT WRITER SERVICES (COLLAB MICROSOFT	29 724.17				X

	IRELAND OPERATIONS					
31	DEVIATION IN TERMS OF SEC 3.2.10 BAC 30-06-2016 DEVIATION – CONTRACT WITH ITRON ITRON METERING SOLUTIONS SOUTH AFRICA PTY LTD	425 263.16				X
<b>Total</b>		<b>R 4 387 869.75</b>				
	<b>Service Level Agreements</b>					
	NONE					
<b>Total</b>						

*\* Tender value can only be determined at the end of the period*

It should also be noted that during the period under review four (4) objections (Tenders: HES- CORP 05/1516; HES-SSPO 16/1516; HES- GEN 03/1516) was lodged against Hessequa Municipality, and was rejected. Two (2) tenders validity period was extended (HES-SSPO 16/1516; HES-SSPO 17/1516) and all other tenders were awarded within their validity period. All tenders indicated in table 2 was awarded by following the official procurement system, in other words by means of the Bid Committee System.

Engineering consultants were appointed for the quarter ending 30 June 2016 is tabled below:

<b>TENDER</b>	<b>CONSULTANT</b>	<b>AMOUNT (VAT Excl.)</b>
HES-WRS 01/1516 UPGRADING OF WATER MAINS IN RIVERSDALE WF CONSTRUCTION	HESSEQUA CONSULTING ENGINEERS	246 724.00
HES-SSPO 06/1516 PAVING OF ROADS IN RIVERSDALE FOR THE HESSEQUA MUNICIPALITY BENVEN CIVILS AND PLANT HIRE	HESSEQUA CONSULTING ENGINEERS	195 030.00
HES-WRS 06/1516 UPGRADING OF JONGENSFONTEIN WASTE WATER TREATMENT WORKS A2 LOODGIETERS	LYNERS CONSULTING ENGINEERS AND PROJECT MANAGERS	315 000.00
HES-WRS 07/1516 CONSTRUCTION OF NEW FENCING - MELKHOUTFONTEIN WASTE WATER TREATMENT WORKS SHARON ROSE TRADING CC	HESSEQUA CONSULTING ENGINEERS	130 076.84
HES-SSPO 15/1516 UPGRADING OF ROADS AND STORMWATER IN SLANGRIVIER ENTSHA	HESSEQUA CONSULTING ENGINEERS	367 113.95

HENRA		
HES-WRS 05/1516 IMPROVING THE DRINKING WATER QUALITY FOR GOURITSMOND	COBUS LOUW PROFESSIONAL ENGINEERS	155 573.00
HES-SSPO 14/1516 UPGRADING OF STORMWATER RETICULATION SYSTEM IN MELKHOUTFONTEIN	HESSEQUA CONSULTING ENGINEERS	542 267.16
HES-SSPO 16/1516 REPAIR OF EXTENSIVE FLOOD DAMAGE TO VARIOUS ROADS AND STORMWATER INFRASTRUCTURE IN RIVERSDALE	WEC CONSULTING ENGINEERS AND PROJECT MANAGERT	1 346 934.36
HES-WRS 08/1516 UPGRADING OF SEWER INFRASTRUCTURE IN MELKHOUTFONTEIN	HESSEQUA CONSULTING ENGINEERS	919 086.93
HES-SSPO 03/1516 UPGRADING OF TIDAL POOL IN GOURITSMOND	COBUS LOUW PR. ENG	83 343.60
DEVIATION FOR THE OFFICIAL PROCUREMENT SYSTEM BAC 03-06-2016 Upgrading of sewerage pump stations in Still Bay, Melkhoutfontein and Jongensfontein	HESSEQUA CONSULTING ENGINEERS	92 338.06
<b>Total Consulting fees</b>		<b>R 4 393 487.84</b>

### 3.3. Deviations

For the quarter ending 30 June 2016 a total of 235 (203 the previous quarter) requests for deviation were processed to the value of R 5 485 853.93 (previous quarter; R 1 394 080.26). This amount to a 13.62% increase in volume and 74.59% decrease in value. Table 4 illustrates the number and value of deviations per threshold.

Table 4

<b>ITEM</b>	<b>NUMBER OF DEVIATIONS</b>	<b>VALUE OF DEVIATION</b>
<b>&lt; R 2000</b>	<b>137</b>	<b>R 111 162.65</b>
Sole Suppliers	1	R 1 200.00
Emergency	60	R 37 445.63
Exceptional Circumstances	76	R 72 517.02
<b>R 2000 - R 30 000</b>	<b>69</b>	<b>R 689 581.34</b>
Sole Suppliers	1	R 11 645.10
Emergency	9	R 119 538.91
Exceptional Circumstances	59	R 558 397.33
<b>R 30 000 - R 200 000</b>	<b>26</b>	<b>R 1 717 832.33</b>
Sole Suppliers	2	R 157 118.28
Emergency	2	R 175 416.81
Exceptional Circumstances	22	R 1 385 297.24
<b>&gt;R 200 000</b>	<b>3</b>	<b>R 2 967 277.61</b>
Sole Suppliers	1	R 829 477.61
Exceptional Circumstances	2	R 2 137 800.00
<b>TOTAL DEVIATIONS</b>	<b>235</b>	<b>R 5 485 853.93</b>

### 3.4. Supplier Database

The supplier database of Hessequa Municipality expanded with 19 suppliers for the quarter ending 30 June 2016; from 2187 to 2206 suppliers. One (1) of the new registrations are local, one (1) are within the Eden district and sixteen (16) resides within the Western Cape and one (1) in other provinces. It should also be noted for the quarter ended 31 March 2016 a total number of 2319 suppliers was registered and that 132 duplicate suppliers was deleted since. Since last reported, the following categories still have less than 3 suppliers registered:

Locksmith services:	2 suppliers
Vending Services:	2 suppliers
Towing Services:	2 suppliers
Picture Framing:	3 suppliers

### 3. Logistics Management

Controls for handling stock kept formally are in place and is affectively instituted. As previously reported, goods kept informally are still a cause for concern and an investigation into the optimization of our logistics/inventory has commenced in September 2015.

### 4. Disposal Management

For the period under review no assets were disposed of.

### 5. Risk, Performance and Contract Management

Risk management is an ongoing concern for this unit and thus is continuously monitored. We are continuously developing business processes and operating procedures with the aim of continuous improvement in our SCM processes.

The average turnaround time for requisitions for the period under review was 28.21 hours per requisition (1934 requisitions in 54569 hours) (11.91 hours for previous quarter) per requisition. For the quarter ending 30 June 2016, 974 (809 for previous quarter) requisitions was processed and orders was captured for these requisitions.

With regards to Contract management, a report on the performance of contractors is submitted to the Executive Mayoral Committee on a monthly basis. Overall the performance of the contractors is fairly good with a couple where improvements are required. Those contractors are actively monitored to ensure the mitigation of possible risk to the organization.

## RECOMMENDATIONS AND CONCLUSION

From my perspective it should be noted that the SCM implementation is going well.