

The following is reported in terms of Section 6 (3) of the Supply Chain Management Policy for the financial year 2015/2016.

Implementation of the approved Supply Chain Management Policy

The SCM Policy continues to be implemented in accordance with the MFMA and its relevant regulations, with considerable success. The policy was reviewed and approved by Council at a Special Council Meeting Held on 24 February 2016 and all the amendments were implemented. No major changes were made.

Confirmation of Implementation of delegated powers

It can be confirmed that all delegated powers from Council are implemented to comply with responsibilities in terms of chapter 8 of the Act (MFMA). All procurement is done on updated, approved delegations and sub delegations.

Implementation of the Supply Chain Management Process

• Training of Supply Chain Management Officials

Formal training of officials to meet the prescribed competency levels were finalised and additional unit standards and relevant officials were identified to proceed with further training. These officials have completed these unit standards during June 2016 and are now waiting to be informed regarding the results.

Supply Chain Management officials also received training regarding the new SARS e-filing systems, National Treasury Centralised Data Base and numerous Health and Safety courses were followed.

• Demand Management

The topic of demand management has progressed in leaps and bounds during this financial year. The E-procurement system and suppliers data base was ready to go live during September 2015 for October 2015 but was put on hold due to various implementation issues such as integration with the National Treasury's Centralised (CSD) Suppliers Data Base. Implementation of all the various systems were set for the 2016/17 financial year.

The consolidated procurement plan was managed and monitored by a demand management monitoring register. Only a few potential bids were cancelled or brought over

The submissions of procurement plans for 2016/17 closed on 24 June 2016 and a consolidated procurement/demand plan will be submitted to Provincial Treasury.

• Acquisition Management

Quotations were obtained from the E-Venus creditor's master file and captured on an Excel spread sheet due to the fact that no official supplier's data base was in place. Clarity was needed from National Treasury regarding the implementation of the (CSD). All required reports were submitted such as quarterly reports for all orders places where less than (3) three quotations were submitted, all procurement from accredited agents and sole suppliers and all procurements between R30, 000 and R200, 000.00

Deviations from the procurement process were reported to Council on 14 Oct 2015, 02 Dec 2015, 13 Apr 2016, and 01 June 2016.

A total amount of R178,585,013-35 was paid out to Supply Chain Management suppliers of which R117,638,668-91 (65.9%) was paid to local black SMME's, therefore meeting our KPI target of 60%.

There were 21 contracts awarded during this financial year.

• Logistic Management

Inventory levels were tested throughout the year and no significant shortage were reported.

Monthly spot checks of 10% were performed on stock items and no deviations were reported during this process. This, and the high level of inventory management is reflected in the outcome of the annual stock take.

All required, relevant reports were submitted during this year which includes slow and no moving stock items, redundant stock items, the turnover rates of the 20 highest valued stock items and stock take audits reports.

The value of stock on hand at year end stock take, 30 June 2016 was as follows.

(1) Stationery	R 89,292.37
(2) Hardware in Store	R 2,244,120.10
(3) Hardware Outside Store	R 1,101,379.12
(4) First Aid	R 7,490.08
(5) Plumbing	R 2,039,266.35
(6) Electrical	R15,484,333.19
(7) Motor Spares	R 794,083.83
(8) Cleaning Chemicals	R 265,599.58
(9) Labour Based Projects	R 192,840.34
(12) Diesel Stores	R 122,072.40
(14) Diesel Fire Station	R 53,616.91
(16) Workshop Stores	R 80,681.53
(19) Unleaded Fuel Stores	R 167,274.16
(20) Leaded Fuel Stores	R 33,735.14
(21) Unleaded Fuel Fire Station	R 159,475.12
	<b>R 23,135,260.18</b>

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The annual stock take was completed on 30 June 2016

• Disposal Management

No movable assets were disposed of during this period.

• Performance Management

For the first six months of this year this section was under performing and no monitoring and performance reports were received.

An acting Manager was then appointed for the second six months who then took control and managed to perform various quality tests and assessments. Based on these reports it can be declared that there are no risks which are not sufficiently managed through control processes which have been implemented

• Declaration

Finally, I declare that all transactions are recorded and can be accounted for in an appropriate accounting system.