



EMALAHLENI MUNICIPALITY SUPPLY CHAIN MANAGEMENT 1st QUARTELY REPORT
FOR JULY- SEP 2018

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Purpose

To inform the Mayor about the bids advertised and awarded during July- September 2018 (First Quarter of 2019 financial year).

Legislative Framework

Oversight role of Council of the Municipality or board of directors of the municipal entity:

In terms of regulation 6(3) "the Accounting Officer must within 10 days of the end of each quarter, submit a report on the implementation of the Supply Chain Management Policy to the Mayor of the Municipality or the Board of Director of the Municipal Entity.

Financial Implications

MIG and Municipal Budget

Legal Implications

SCM Regulations

SCM Policy

MFMA

PPPFA

BID AWARDS REPORT

TABLE 1: BIDS AWARDED FOR AN AMOUNT ABOVE R200 000.00

BID NO	PROJECT NAME	BIDDERS NAME	BBBEE STATUS LEVEL	AWARDED AMOUNT	LOCALITY
ELM/9/5/2018T	Pr-ofessional and Construction Services for the Construction of Cacadu Sport Field Phase 3 in Ward 4 Through Turkey	Nemorango Consulting Engineers JV Nakiseni Business Enterprise	1	R7 250 249.98	East London (Eastern Cape)
ELM/3/5/2018T	Construction of KwaDukathole Shearing Shed	NNW Sibhoma Construction	1	R1 189 184.00	Emalaheni Municipality (Eastern Cape)
ELM/2/5/2018T	Professional and Construction Services for the rehabilitation of Indwe Sport Field Phase 1 Through Turkey	MBS Civils JV Cudjor Quantity Surveying CC	1	R11 000 000.00	Port Elizabeth (Eastern Cape)
ELM/1/5/2018T	Professional and Construction Services for the Construction of Motor Vehicle Testing Station	Mayoli Trading JV Engineering Aces	0	R7 232 286.77	Engcobo (Eastern Cape)
TOTAL AMOUNT OF BIDS AWARDED ABOVE R200 000 FOR JULY 2018				R26 671 720.75	25%

**TABLE 2: BIDS AWARDED FOR AN AMOUNT BETWEEN R30 000-R200 000.00
JULY 2018**

BID NO	PROJECT NAME	BIDDERS NAME	BBBEE STATUS LEVEL	AWARDED AMOUNT	LOCALITY
ELM/1/7/2018Q	Supply and Delivery of Tracksuits and Rugby Kit for Mayors Cup 2018	Ziviwe Investments	1	R198 970.01	East London
ELM/3/8/2018Q	Supply and Delivery of Stationery	Expose Building Construction	1	R125 866.12	Mthatha
TOTAL AMOUNT OF BIDS AWARDED BETWEEN R30 000 AND R200 000 FOR JULY 2018				R324 836.13	0%

SEPTEMBER 2018

BID NO	PROJECT NAME	BIDDERS NAME	BBBEE STATUS LEVEL	AWARDED AMOUNT	LOCALITY
ELM/9/8/2018Q	Appointment of an a Service Provider to Train three Officials on Municipal Financial Programme	Fort Hare Solutions	0	R195 360.00	Bisho
ELM/2/8/2018Q	Appointment of an Accredited Service Provider to Train Ward Committees on Advocacy and Lobbying of Community Issues	Qabuka-Vuka Development Consultants	1	R99 000.00	East London
ELM1/9/2018Q	Supply and Delivery of Kitchen Consumables for a Period of 8 Months	Sinabalo General Trading	1	R69 547.20	Indwe
ELM2/9/2018Q	Supply and Delivery of Protective Clothing	Sinabalo General Trading	1	R95 205.00	Indwe
ELM3/9/2018Q	Supply and Delivery of Cleaning Material	Lax Civil and General	1	R96 420.00	Indwe
TOTAL AMOUNT OF BIDS AWARDED BETWEEN R30 000 AND R200 000 FOR SEPTEMBER 2018				R555 532.20	60%

TABLE 3: DEVIATION REGISTER

SERVICE PROVIDER	DESCRIPTION	AMOUNT	REASON
Utilities World	Pre-paid Vending System	Commission based	The project was awarded to Utilities. Upon the award there was a court interdict issued by one of the unsuccessful bidders. The service in question is an essential service to the public and it is impossible for the municipality to re-advertise as the matter is still in court.
Universal Garage	Supply of fuel for municipal vehicles	Based on fuel consumption	The service provided by the supplier is only available from a single provider.
VGS Motors	Supply of fuel for municipal vehicles	Based on fuel consumption	The service provided by the supplier is only available from a single provider.
Indwe filling station	Supply of fuel for municipal vehicles	Based on fuel consumption	The service provided by the supplier is only available from a single provider.

TABLE 4: LIMITED BIDDING

No	SERVICE PROVIDER	DESCRIPTION	VOUCHER NUMBER	PAYMENT DATE	AMOUNT
1	Tiso Black Star	Publication of ELM adverts	P108/30/00000207/2018-2019	30/08/2018	R3 123.40
2	Tiso Black Star	Publication of ELM adverts	P108/30/00000208/2018-2019	30/08/2018	R8 846.40
3	Tiso Black Star	Publication of ELM adverts	P108/30/00000209/2018-2019	30/08/2018	R11 155.00
4	Tiso Black Star	Publication of ELM adverts	P108/30/00000210/2018-2019	30/08/2018	R13 800.00
5	Tiso Black Star	Publication of ELM adverts	P110/11/00010481/2018-2019	11/10/2018	R7 360.00
6	Tiso Black Star	Publication of ELM adverts	P110/18/00010597/2018-2019	18/10/2018	R8 924.00
7	Tiso Black Star	Publication of ELM adverts	P110/19/00010638/2018-2019	19/10/2018	R23 862.50
Total	Tiso Black Star is the only newspaper within Emalahleni Local Municipality that also advertise news that are based in Queenstown and are classified as a local newspaper and cover advertising in the Emalahleni Area.				R77 071.30

Irregular expenditure

The municipality did not incur irregular expenditure in terms of section 32 of the MFMA and Circular 68 during the 1st quarter of 2018/2019 financial year.

[Contract Registers](#)

On Progress (Technical)

ON PROGRESS CONTRACTS - TECHNICAL PROJECTS											
NO	DESCRIPTION OF CONTRACT/PROJECT	CONTRACTOR'S /SERVICE PROVIDER'S NAME	BID/CONTRACT NO.	DATE OF CONTRACT SIGNED	START DATE	COMPLETION DATE	PERIOD	CONTRACT AMOUNT	VARIABLE AMOUNT	TOTAL EXPENDITURE INCURRED TO DATE	COMMITMENT
1	Construction of Municipal Offices Phase 1	Nubhana Jv Lesole	ELM/5/9/2016T	2016-12-19	2017-08-23	2019/02/28	18 Months	R 34 995 000.00	N/A	R 7 238 656.29	R 27 756 343.71
2	Professional and Construction Services for the Construction of Motor Vehicle Testing Station Phase 2 in ward 4 Through Turnkey	Mayoli Trading JV Engineering Aces	ELM/1/5/2018T	20/07/2019	01/08/2018	28/02/2019	7 months	R 7 232 286.77	N/A	R 203 462.99	R 7 028 823.78
3	Professional and Construction Services for the Rehabilitation of Indwe Sports Field Phase 1 Through Turnkey	MBS Civils JV Cudjoe Quantity Surveying CC	ELM/2/5/2018T	20/07/2019	01/08/2018	30/04/2019	9 Months	R 11 000 000.00	N/A	R 311 650.00	R 10 688 350.00
4	Professional and Construction Services for the Construction of Cacadu Sports Fields Phase 3 in Ward 4 Through Turnkey	Nemorango JV Nakiseni Business	ELM/9/5/2018T	20/07/2019	01/08/2018	31/03/2019	8 Months	R 7 250 249.98	N/A	R 0.00	R 7 250 249.98

ON PROGRESS CONTRACTS - TECHNICAL PROJECTS									
NO	DESCRIPTION OF CONTRACT/PROJECT	CONTRACTOR'S /SERVICE PROVIDER'S NAME	BID/CONTRACT NO.	DATE OF CONTRACT SIGNED	START DATE	COMPLETION DATE	PERIOD	CONTRACT AMOUNT	VARIABLE AMOUNT TOTAL EXPENDITURE INCURRED TO DATE COMMITMENT
5	Construction of Kwadukathole Shearing Shed in ward 9	NNW Sibhoma Construction	ELM/3/5/2018T	20/07/2019	01/08/2018	30/11/2018	4 months	R 1 189 184.03	N/A R 212 703.43 R 976 480.60

For the above projects there has been no extensions and amendment/variations

SERVICE PROVIDER PERFORMANCE SCHEDULE FOR TECHNICAL PROJECTS

No	DISCRPTION CONTRACT/PROJECT	OF	BID/ CONTRACT NO.	CONTRACTOR'S/SERVICE PROVIDER'S NAME	CONTRACT AMOUNT	TOTAL PAID IRO CONTRACT	EVALUATING COMMENTS
1	Construction of Municipal Offices Phase 1		ELM/5/9/2016T	Nubhana Trading JV Lesole Trading	R34 995 000,00	R 7 238 656.29	Service provided to the expected level of satisfaction.
2	Professional and Construction Services for the Construction of Motor Vehicle Testing Station Phase 2 in ward 4 Through Turnkey		ELM/1/5/2018T	Mayoli Trading JV Engineering Aces	R 7 232 286.77	R 203 462.99	Service provided is not to the expected level of satisfaction
3	Professional and Construction Services for the Rehabilitation of Indwe Sports Field Phase 1 Through Turnkey		ELM/2/5/2018T	MBS Civils JV Cudjoe Quantity Surveying CC	R 11 000 000.00	R 311 650.00	Service provided is not to the expected level of satisfaction
4	Professional and Construction Services for the Construction of Cacadu Sports Fields Phase 3 in Ward 4 Through Turnkey		ELM/9/5/2018T	Nemorango JV Nakiseni Business	R 7 250 249.98	R0	Service provided is not to the expected level of satisfaction
5	Construction of KwaDukathole Shearing Shed in ward 9		ELM/3/5/2018T	NNW Sibhoma Construction	R1 189 184.03	R212 703.43	Service provided to the expected level of satisfaction.

On Progress (Non-Technical)

ON PROGRESS CONTRACTS -NON-TECHNICAL PROJECTS										
N	DESCRIPTION OF CONTRACT/P ROJECT	CONTRACTOR'S/ SERVICE PROVIDER'S NAME	BID/CONT RACT NO.	DATE CONTRAC T SIGNED	COMMENC EMENT DATE	COMPLETI ON DATE	PERIO D	CONTRACT AMOUNT	TOTAL PAID TO CONTRACT	COMMITMENT
0.	Provision of Travel Agency Services	Lithaba Travel Management Services	ELM/2/12/ 2015T	05 February 2016	05 February 2016	05 February 2019	36 Month s	rates only contract	R 13 413 339.98	R 0.00
1	Procurement of Valuers for Property Rates	Penny Lindstrom Valuations	ELM/01/0 3/2017T	30 June 2017	01 July 2017	30 June 2022	5 years	R1 050 000.00	R 900 030.00	R 149 970.00
2	Banking Services for a period of 5 years	Banking Services for a period of 5 years	ELM/5/3/2 015T	19 February 2014	19 February 2016	28 January 2020	60 Month s	rates only contract	R 0.00	R 0.00
3	Provision for Account Services	Mubesko Africa (Pty) Ltd	Scm/75/20 16/Fin	01 July 2016	10 July 2016	30 June 2019	36 Month s	rates only contract	R 13 354 203.88	R 0.00
4	Supply and Installation of Fleet Management Tracker System		ELM/4/9/2 016T	05 January 2017	01 March 2017	13 December 2019	36 Month s	R270 000.00	R 95 192.88	R 174 807.12
5	Appointment of an accredited service provider to Land Audit	Tshani Consulting cc	ELM/3/9/2 016T	11 January 2017	11 January 2017	24 March 2017	6 Month s	R 420 000.00	R 248 500.00	R 171 500.00

ON PROGRESS CONTRACTS -NON-TECHNICAL PROJECTS										
	DESCRIPTION OF CONTRACT/P ROJECT	CONTRACTOR'S/ SERVICE PROVIDER'S NAME	BID/CONT RACT NO.	DATE CONTRAC T SIGNED	COMMENC EMENT DATE	COMPLETI ON DATE	PERIO D	CONTRACT AMOUNT	TOTAL PAID TO CONTRACT	COMMITMENT
7	Panel of Attorneys for Legal Services: Supply, Delivery and Installation of All in One Printers	Vuba Attorneys	ELM/1/4/2 017T	30-Jun-17	01-Jul-17	30-Jun-20	36 Months	rates only contract	R 591 363.79	R 0.00
8	Panel of Attorneys for Legal Services: Tonise	New Aloe	ELM/1/3/2 018T	30-Apr-18	01-May-18	30-Apr-21	36 Months	R 1 610 989.92	R 244 907.14	R 1 366 082.78
9	Provision of Security Services	Quick Save Security	ELM/1/4/2 017T	30-Jun-17	01-July-17	30-Jun-20	36 Months	Rates only contract	R 337 099.80	R 0.00
10	Supply and delivery of material for Lady Frere, DDX and Indwe	K215077542 SA PTY (LTD)	ELM/1/07/ 2018T	28-Sep-18	01-Oct-18	30-Sep-21	36 Months	R15 290 089.11	R0	R15 290 089.11
11				01-Oct-18	01-Oct-18	31-Oct-18	4 weeks	R1 144 680.00	R0	R1 144 680.00

For the above projects there has been no extensions and amendment/variations

SERVICE PROVIDER PERFORMANCE SCHEDULE FOR NON-TECHNICAL PROJECTS

No	DISCRPTION OF CONTRACT/PROJECT	BID/ CONTRACT NO.	CONTRACTOR'S/SERVICE PROVIDER'S NAME	CONTRACT AMOUNT	TOTAL PAID IRO CONTRACT	EVALUATING COMMENTS
1	Provision of Travel Agency Services	ELM/2/12/2015T	Lithaba Travel Management Services	rates only contract	rates only contract	Service provided to the expected level of satisfaction. A new process to appoint a new service provider underway.
2	Procurement of Valuers for Property Rates	ELM/01/03/2017T	Penny Lindstrom Valuations	R1 050 000.00	R1 050 000.00	Service provided to the expected level of satisfaction.
3	Provision for Account Services	Scm/75/2016/Fin	Mubesko Africa (Pty) Ltd	rates only contract	R 13 354 203.88	Performed their support as per the service level agreement. Assisted the municipality with implementation of applicable GRAP standards. Assist with NT reporting. Accounting support and transfer of skills to staff was also adhered to.
4	Supply and Installation of Fleet Management Tracker System	ELM/4/9/2016T	Qaphela Risk Services (Pty) Ltd	R270 000.00	R 95 192.88	Services were not provided to the expected level of satisfaction.
	Panel of Attorneys for Legal Services:	ELM/1/4/2017T	Vuba Attorneys	rates only contract	R 591 363.79	Service provided to the expected level of satisfaction.
	Supply, Delivery and Installation of All in One Printers	ELM/1/3/2018T	New Aloe	R 1 610 989.92	R 244 907.14	Service provided to the expected level of satisfaction.
	Panel of Attorneys for Legal Services:	ELM/1/4/2017T	Tonise	rates only contract	R 337 099.80	Service provided to the expected level of satisfaction.
	Provision of Security Services	ELM/10/5/2018T	Quick Save Security	R15 290 089.11	R0	Service provided to the expected level of satisfaction.
	Supply and delivery of material for Lady Frere, DDX and Indwe	ELM/1/07/2018T	K215077542 SA PTY (LTD)	R1 144 680.00	R0	Service provided to the expected level of satisfaction.

COMPLETED PROJECTS

SCHEDULE OF PROCUREMENT PLAN IN RESPECT OF ADVERTISED COMPETITIVE BIDS (GOODS, INFRASTRUCTURE PROJECTS OR SERVICES IN EXCESS OF R200 000 INCLUDING ALL APPLICABLE TAXES) FOR THE 2018/2019 FINANCIAL YEAR

Description of goods / services / Infrastructure project	Estimated value (including all applicable taxes)	Envisaged date of advertisement in the website, newspapers or other media	Envisaged closing date of bid	Envisaged date of award	Responsible office	Budget available and vote number applicable	Comments
INFRASTRUCTURE DEVELOPMENT AND HUMAN SETTLEMENT							
Construction of Cacadu sport field phase 2 in ward 4	R 7 979 040.00	24/05/2018	14/06/2018	18/06/2018	IDHS	R 7 979 040.00	Awarded on 13/07/2018
Construction of Cacadu multi- purpose Centre in ward 4	R10 470 500.00	24/05/2018	08/06/2018	18/06/2018	IDHS	R 10 470 500.00	To be re-advertised
Rehabilitation of Indwe sport field.	R 11 000 000	04/05/2017	05/06/2017	08/06/2018	IDHS	R 11 000 000.00	Awarded on 13/07/2018
KwaDukathole shearing shed	R 1 569 150.00	11/05/2018	28/05/2018	28/06/2018	IDHS	R 1 200 000.00	Awarded on 13/07/2018
Construction of motor vehicle testing station phase 2 in ward 4	R 7 500 000.00	11/05/2018	28/05/2018	28/06/2018	IDHS	R 7 500 000.00	Awarded on 13/07/2018
Professional and Construction services for	R 6 300 000.00	24/05/2018	8/06/2018	18/06/2018	IDHS	R 6 300 000.00	Awarded on 01/10/2018

Description of goods / services / Infrastructure project	Estimated value (including all applicable taxes)	Envisaged date of advertisement in the website, newspapers or other media	Envisaged closing date of bid	Envisaged date of award	Responsible office	Budget available and vote number applicable	Comments
Magwathini to Thembelihle access road ward 15							
Professional and Construction Services for Paving of Dordrecht Internal Street in ward 11 Through turnkey	R9 000 000.00	22/08/2018	14/09/2018	28/09/2018	IDHS	R9 000 000.00	Awarded on 01/10/2018
Professional and Construction Services for Paving of Indwe Internal Street in ward 16 Through Turnkey	R9 015 820.00	22/08/2018	14/09/2018	28/09/2018	IDHS	R9 015 820.00	Awarded on 01/10/2018
Supply and Delivery of Paving Material for Dordrecht, Lady Frere and Indwe	R1 200 000.00	18/07/2018	03/08/2018	24/08/2018	IDHS	R1 200 000.00	Awarded on 01/10/2018

PEDTA SERVICES DIRECTORATE							
Description of goods / services / Infrastructure project	Estimated value (including all applicable taxes)	Envisaged date of advertisement in the website, newspapers or other media	Envisaged closing date of bid	Envisaged date of award	Responsible office	Budget available and vote number applicable	Comments
12 Nguni bulls purchased and distributed to ward 1,3,5,6,12 and 15	R 300 000.00	03/09/2018	21/09/2018	12/10/2018	EDTA Services	R 300 000.00	Planning

Controls on combating the abuse of Supply Chain Management Processes.

- The supply chain Management policy provides controls to prevent the abuse of supply Chain Management system.
- The Accounting Officer has put in structures to investigate any allegations against an official or other role player of Fraud corruption, favouritism, unfair or irregular practices or failure to comply with this Policy.
- The Supply Chain Management Unit prior to awarding any contract ensures that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector did is done by checking the National Treasury database.
- **The municipality rejects any bid from:**
 - a) A bidder or its directors who owe the municipality or any other municipality or municipal entity rates and taxes or municipal service charges for more than 90 days.
 - b) Bidders who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory
 - c) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract
 - d) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - e) has been convicted for fraud or corruption during the past five years;
 - f) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public-sector contract during the past five years; or
 - g) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004)
- **The municipality cancels a contract awarded to a person if:**
 - h) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - i) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person

Report on the effectiveness/sitting of the bid committees.

The sitting of bid committees for the 1st quarter set as scheduled/planned in the procurement plan except for one project (Construction of Cacadu multi- purpose Centre in ward 4 and will be re-advertised in the 2nd quarter) and all other targeted projects have been awarded for the 1st quarter.

Report on awards made to person or supplier that are in service of the state and close family members

No	Suppliers	Contract Amount	Reason
1	VGS	Base on fuel Consumption	The owner of Molicar Investments 17 t/a VGS Motors has passed on and the ownership of the garage was transferred to her spouse which is employed by the state as stated on the Central Supplier Database. The supplier is a Sole Provider and was awarded through deviation.
2	Universal Garage	Base on fuel Consumption	Garage is owned by a Municipal Councillor currently serving at Emalahleni Local Municipality and the Central Supplier Database confirms such. The supplier is a Sole Provider and was awarded through deviation.

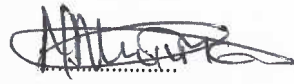
IT IS RECOMMENDED THAT:

- (a) The Mayor notes the report on the Supply Chain Management performance for the first quarter.
- (b) The Mayor notes that bids awarded between R 30 000-R 200 000.00 during the first quarter of 2018 amounted to R880 368.33
- (c) The Mayor notes that bids awarded above R 200 000.00 during the first quarter of 2018/2019 amounted to R26 671 720.75.
- (d) The Mayor notes that procurement target within the Emalahleni Municipality was 36.4%, which overall procurement within Eastern Cape Province was 100% for the 1st quarter of 2018/2019.
- (e) The Mayor notes that there was a deviation during the 1st quarter of 2018 to Utilities World for pre-paid electricity vending and the amount paid for the quarter amounted to R 73 634.
- (f) The Mayor notes that there was limited bidding during the first quarter of 2018/2019.
- (g) The Mayor notes that progress made on the performance and monitoring of contracts during the first quarter of 2018/2019.
- (h) The Mayor notes the progress made in the implementation of the procurement plan during the first quarter of 2018/2019.
- (i) The Mayor notes that there was an extension of time for the Provision of Security Services during the first quarter of 2018/2019.
- (j) There was no irregular expenditure as per section 32 of MFMA.

Reviewed by:


GP De Jager
Chief Financial Officer

Approved by:


N Mntuyedwa
Acting Municipal Manager