

243. **SUPPLY CHAIN MANAGEMENT: BIDS AWARDED ABOVE R200 000-DECEMBER 2018**

(Directorate: Budget and Treasury)

1. STRATEGIC THRUST

The Rustenburg Local Municipality has adopted amongst others “To ensure sustainable municipal financial viability and management including good governance and public participation”.

2. PURPOSE OF THE REPORT

The purpose of the report is to provide Council with the progress regarding the implementation of the supply chain management system for the month of December 2018.

3. EXECUTIVE SUMMARY

3.1 BACKGROUND

Section 6 (2) i and (3) of the (MFMA) Municipal Supply Chain Management Regulations requires that for the purpose of Council to exercise its oversight role and the accounting officer must monitor and assess on continuous basis the implementation of the Supply Chain Management System and submit a report on the implementation at the end of each month to Executive Mayor.

4. DISCUSSION

The report is submitted to ensure that the supply chain processes followed by management is in line with Municipality’s policy framework and regulations pertaining to supply chain management. All bids contained in this report were advertised, evaluated and adjudicated in accordance with the Supply Chain Policy and is obtained from the appointment letters signed by the Accounting Officer.

4.1 BIDS AWARDED

- A total number three (03) bids were awarded for the month of December 2018 to ten suppliers. The total value of the projects cannot be determined as the other bids are awarded as per rates.
- Out of ten (10) companies, eight (08) are within Rustenburg Jurisdiction and two (02) is outside Rustenburg. Composition of ownership of the awarded companies is as follows:

NO.	BIDDER	BID AWARDED	BLACK OWNERSHIP	RUSTENBURG BASED	APPOINTMENT LETTER	SLA
1.	Dikapi Cleaning Services	RLM/DCD/0126/2017/18 Appointment of one or more service providers for cleaning service at various Municipal buildings for a period of three (03) years as and when needed (Upholstery Cleaning Double Chairs), (Carpet Protection) (Upholstery Protection) (Deep Cleaning) (Upholstery Cleaning Single Chairs) and (Transport)	100%	Yes	Yes	Yes
2	Agriworld Global (Pty) Ltd	RLM/DLED/0011/2018/19 Request for proposal: The appointment of a management company for the implementation of the agricultural support programme for Rustenburg Local Municipality for a period of three (03) year.	100%	Yes	Yes	Yes
3	Katlego Baphiring Trading Enterprise	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	100%	Yes	Yes	No
4	L and B Procuring & Services (Pty) Ltd	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	100%	Yes	Yes	No
5	Reatlakopa supply and trading (Pty) Ltd	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	100%	Yes	Yes	Yes
6	Rhultrev Trading (Pty) Ltd	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and	100%	No	Yes	Yes

		deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years				
7	Trems Masilo Construction	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	100%	Yes	Yes	No
8	Global water treatment solutions (Pty) Ltd	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	100%	No	Yes	No
9	Loapi Investments (Pty) Ltd	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	100%	Yes	Yes	Yes
10	Thuto Multi Holdings	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	100%	Yes	Yes	Yes

5. FINANCIAL IMPLICATION

- The awards would be funded as follows;

NO	BID AWARDED	VOTE NUMBER	BUDGET
1.	RLM/DCD/0126/2017/18 Appointment of one or more service providers for cleaning service at various Municipal buildings for a period of three (03) years as and when needed (Upholstery Cleaning Double Chairs)	012106006528	R569 646.70
2.	RLM/DCD/0126/2017/18 Appointment of one or more service providers for cleaning service at various Municipal buildings for a period of three (03) years as and when needed (Carpet Protection)	012106006528	R569 646.70
3	RLM/DCD/0126/2017/18- Appointment of one or more service providers for cleaning service at various Municipal buildings for a period of three (03) years as and when needed (Upholstery Protection)	012106006528	R569 646.70
4	RLM/DCD/0126/2017/18- Appointment of one or more service providers for cleaning service at various Municipal buildings for a period of three (03) years as and when needed (Deep Cleaning)	012106006528	R569 646.70
5	RLM/DCD/0126/2017/18 - Appointment of one or more service providers for cleaning service at various Municipal buildings for a period of three (03) years as and when needed (Upholstery Cleaning Single Chairs)	012106006528	R569 646.70
6	RLM/DCD/0126/2017/18 - Appointment of one or more service providers for cleaning service at various Municipal buildings for a period of three (03) years as and when needed (Transport)	012106006528	R569 646.70
7	RLM/DLED/0011/2018/19 Request for proposal: The appointment of a management company for the implementation of the agricultural support programme for Rustenburg Local Municipality for a period of three (03) year.	O1217-1/IE00849/F24 96/X098/R033 2/001/185	R 8 000 000.00
8	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	O2410-1/IE00651/F09 31/X139/R033 3/001/345	R 5,617,995
9	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	O2410-1/IE00651/F09 31/X139/R033 3/001/345	R 5,617,995
10	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	O2410-1/IE00651/F09 31/X139/R033 3/001/345	R 5,617,995

11	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	O2410-1/IE00651/F0931/X139/R0333/001/345	R 5,617,995
12	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	O2410-1/IE00651/F0931/X139/R0333/001/345	R 5,617,995
13	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	O2410-1/IE00651/F0931/X139/R0333/001/345	R 5,617,995
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15	RLM/DTIS/0112/2017/18 Re - Advert: Appointment of one (01) or more service providers to supply and deliver various sewerage materials for Rustenburg Local Municipality as and when required for a period of three (03) years	O2410-1/IE00651/F0931/X139/R0333/001/345	R 5,617,995

6. **LEGAL IMPLICATION**

This report is informed by the following legal instruments:

Section 217 (1) of the Constitution of Republic of South Africa 1996 inter alia provides that “When an Organ of State in the National, Provincial or Local sphere of government contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

In giving effect to the above Constitutional provision, Regulation 2 (3) of the Local Government: Municipal Finance Regulations inter alia provides that “No municipality or municipal entity may act otherwise than in accordance with its supply chain management policy when procuring goods or services, disposing of goods no longer needed.

The main objective of the provisions is to ensure that the resources of the municipality or municipal entity should be used effectively, efficiently and economically and compliance in order to improve accountability and transparency as well as to combat fraud.

The Supply Chain Management Policy as approved by the Council in terms of the requirements of section 111 of the MFMA requires that goods or services above a transaction value of R200 000 (VAT included) and long term contracts should be procured ONLY through the competitive bidding process and no requirement for goods or services above an estimated transaction value of R200 000 (VAT included) may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

Regulation 6 (2)and (6) (3) of the Supply Chain Management Regulations provides that the Municipal Council and the Board of Directors of a Municipal entity must maintain oversight over the implementation of its supply chain management policy and in this regard the Accounting Officer in the case of the municipality must submit a report within 10 days of the end of each quarter on the implementation of the supply chain management policy to the Mayor

and whenever there are serious and material problems in the implementation of the supply chain management policy , the Accounting Officer shall immediately submit a report to the municipal council .

Further it is a statutory requirement that these reports should be made public in accordance with section 21A of the Municipal System Act (i.e. displaying documents at municipality head and satellite offices, libraries, municipal website, local newspapers). This also applies to the report of the municipal entity.

--- See Attached (**Annexure A - P**)

RLM/DCD/0126/2017/18 DIKAPI

ANNEXURE A – BUDGET
ANNEXURE B – BEC RECOMMENDATIONS
ANNEXURE C - BAC RECOMMENDATIONS
ANNEXURE D – APPOINTMENT LETTER
ANNEXURE E - SERVICE LEVEL AGREEMENT

RLM/DCD/0011/2017/18 AGRIWORLD GLOBAL (PTY) LTD

ANNEXURE A – SPECIFICATION
ANNEXURE B – BUDGET
ANNEXURE C - BEC RECOMMENDATIONS
ANNEXURE D - BAC RECOMMENDATIONS
ANNEXURE E – APPOINTMENT LETTER
ANNEXURE F - SERVICE LEVEL AGREEMENT

RLM/DCD/0012/2017/18 Katlego Baphiring Trading Enterprise

L and B Procuring & Services (Pty) Ltd
Reatlakopa supply and trading (Pty) Ltd
Rhultrev Trading (Pty) Ltd
Trems Masilo Construction
Global water treatment solutions (Pty) Ltd
Loapi Investments (Pty) Ltd
Thuto Multi Holdings

ANNEXURE A – SPECIFICATION
ANNEXURE B – BUDGET
ANNEXURE C - BEC RECOMMENDATIONS
ANNEXURE D - BAC RECOMMENDATIONS
ANNEXURE E – APPOINTMENT LETTER Katlego Baphiring Trading Enterprise
ANNEXURE F – APPOINTMENT LETTER L and B Procuring & Services (Pty) Ltd
ANNEXURE G – APPOINTMENT LETTER Reatlakopa supply and trading (Pty) Ltd
ANNEXURE H – APPOINTMENT LETTER Rhultrev Trading (Pty) Ltd
ANNEXURE I – APPOINTMENT LETTER Trems Masilo Construction
ANNEXURE J – APPOINTMENT LETTER Global water treatment solutions (Pty) Ltd
ANNEXURE K – APPOINTMENT LETTER Loapi Investments (Pty) Ltd
ANNEXURE L – APPOINTMENT LETTER Thuto Multi Holdings
ANNEXURE O - SERVICE LEVEL AGREEMENT Reatlakopa supply and trading (Pty) Ltd
ANNEXURE P - SERVICE LEVEL AGREEMENT Rhultrev Trading (Pty) Ltd
ANNEXURE Q - SERVICE LEVEL AGREEMENT Loapi Investments (Pty) Ltd
ANNEXURE P - SERVICE LEVEL AGREEMENT Thuto Multi Holdings

This item served before the Mayoral Committee on the 08 November 2019 and the following recommendations were made:

RECOMMENDED:

ACTION

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| 1. That the report of the awards above R200 000 be noted; | CC |
| 2. That the report be submitted to Provincial and National Treasury; | BTO |
| 3. That the report be published on the municipal website. | BTO |
