



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALE WASE

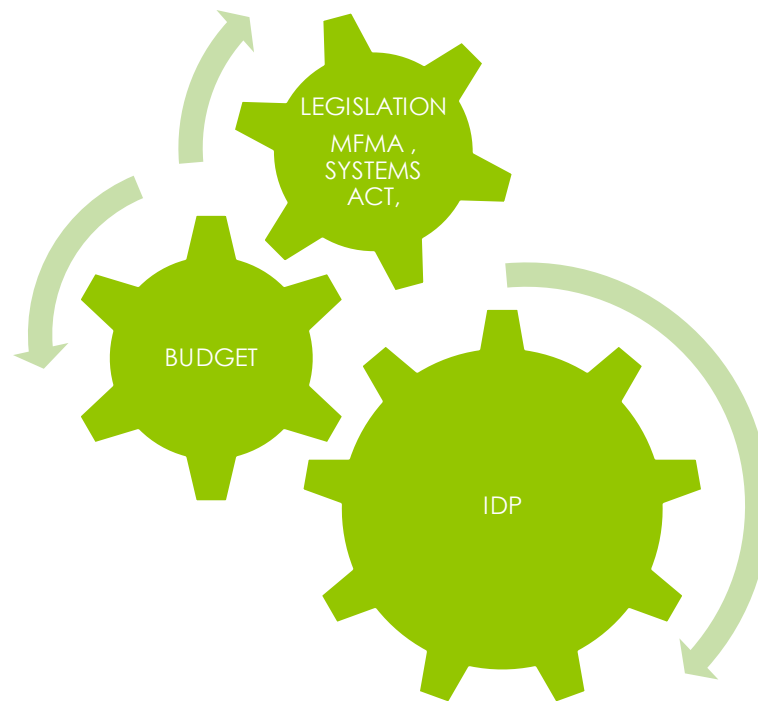
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT FROM MUNICIPAL PERSPECTIVE

DATE: TUESDAY 6 DECEMBER 2011 MOSSELBAY CFO LEGOTLA

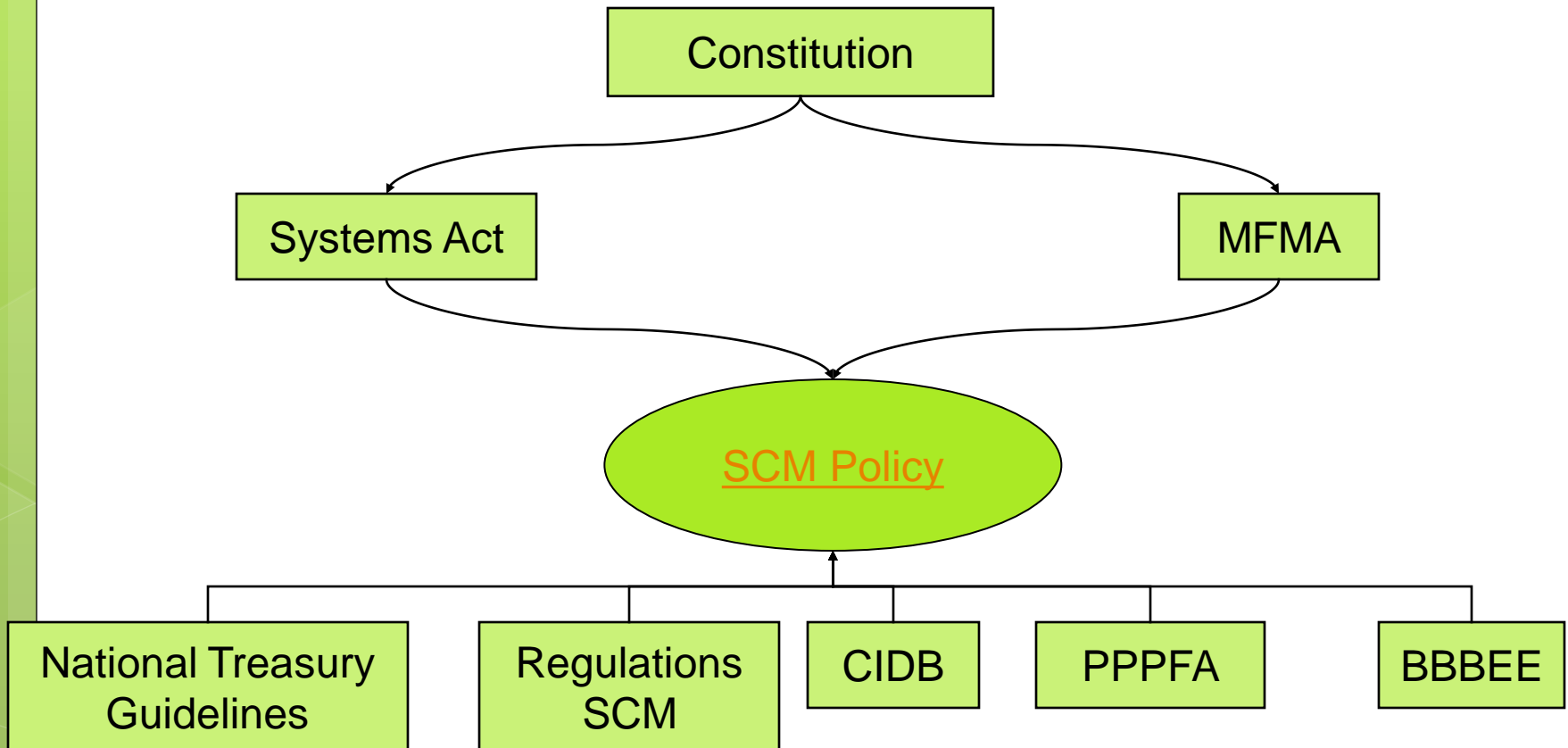
BY: DALLEEL JACOBS SCM MANAGER : DRAKENSTEIN MUNICIPALITY



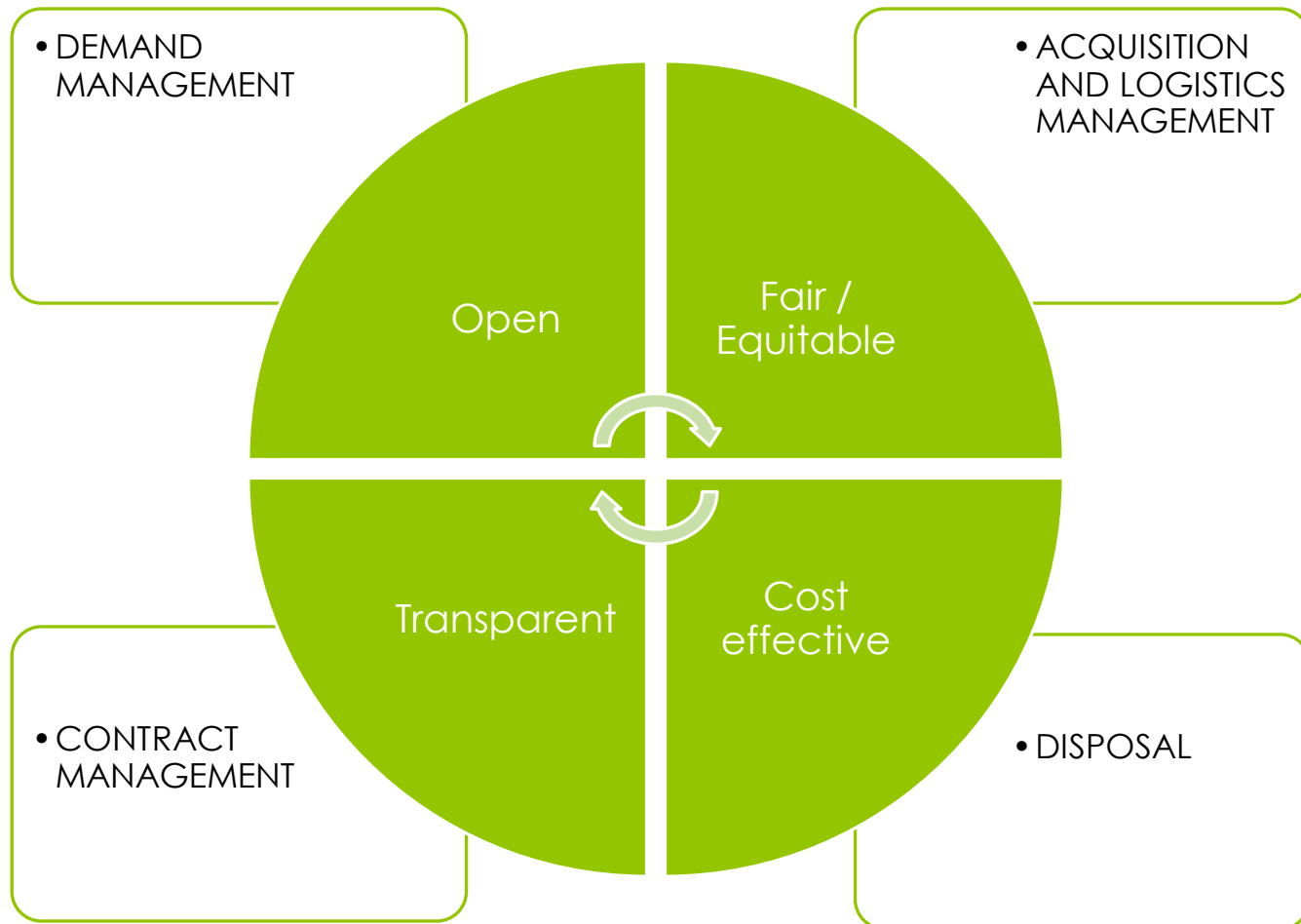
SERVICE DELIVERY



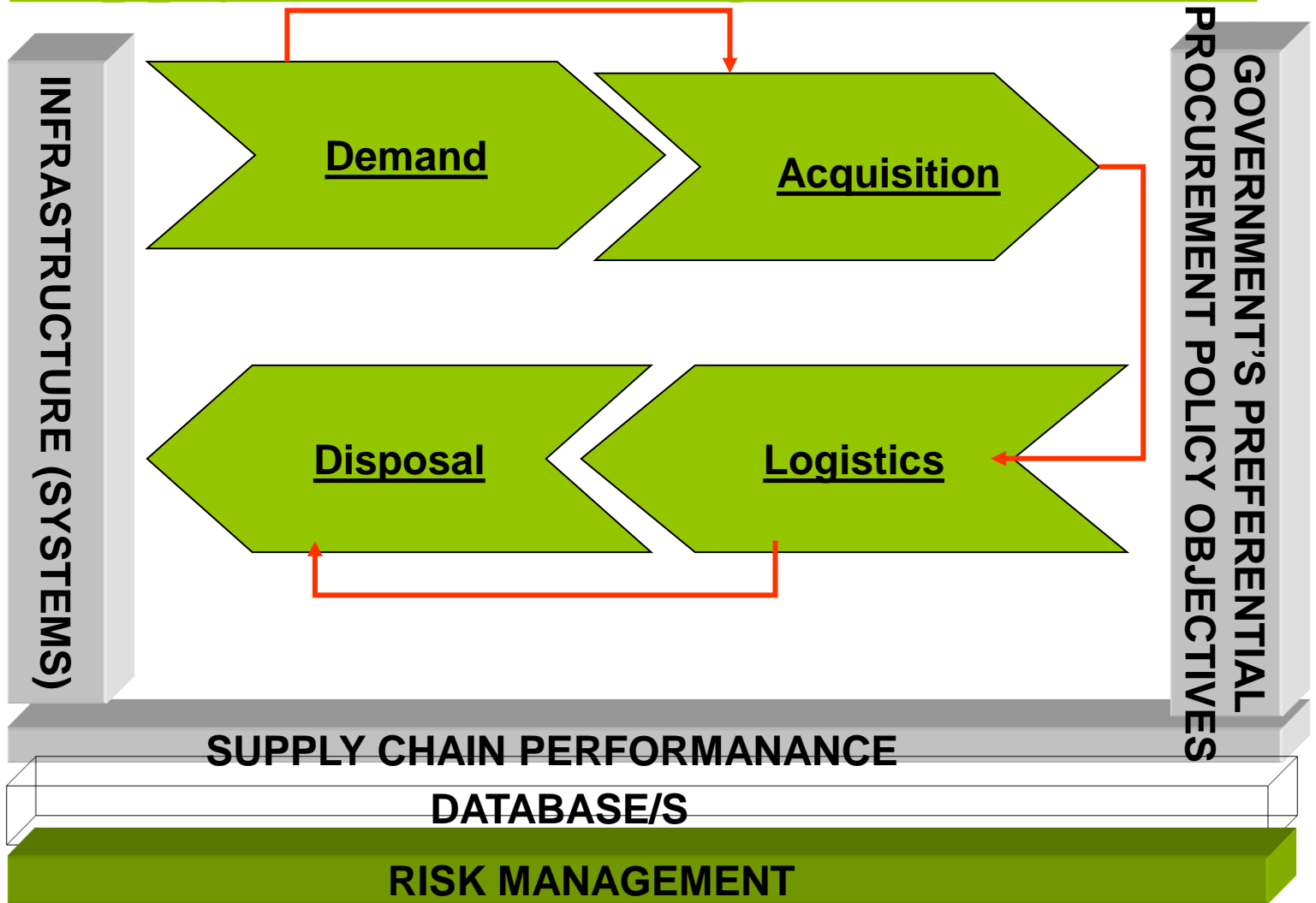
LEGISLATIVE FRAMEWORK



Supply Chain Management Process



Supply Chain Management Process



PROJECT LIFE CYCLE

INITIATION

DEMAND
MANAGEMENT

PLANNING

DEMAND
MANAGEMENT

EXECUTION

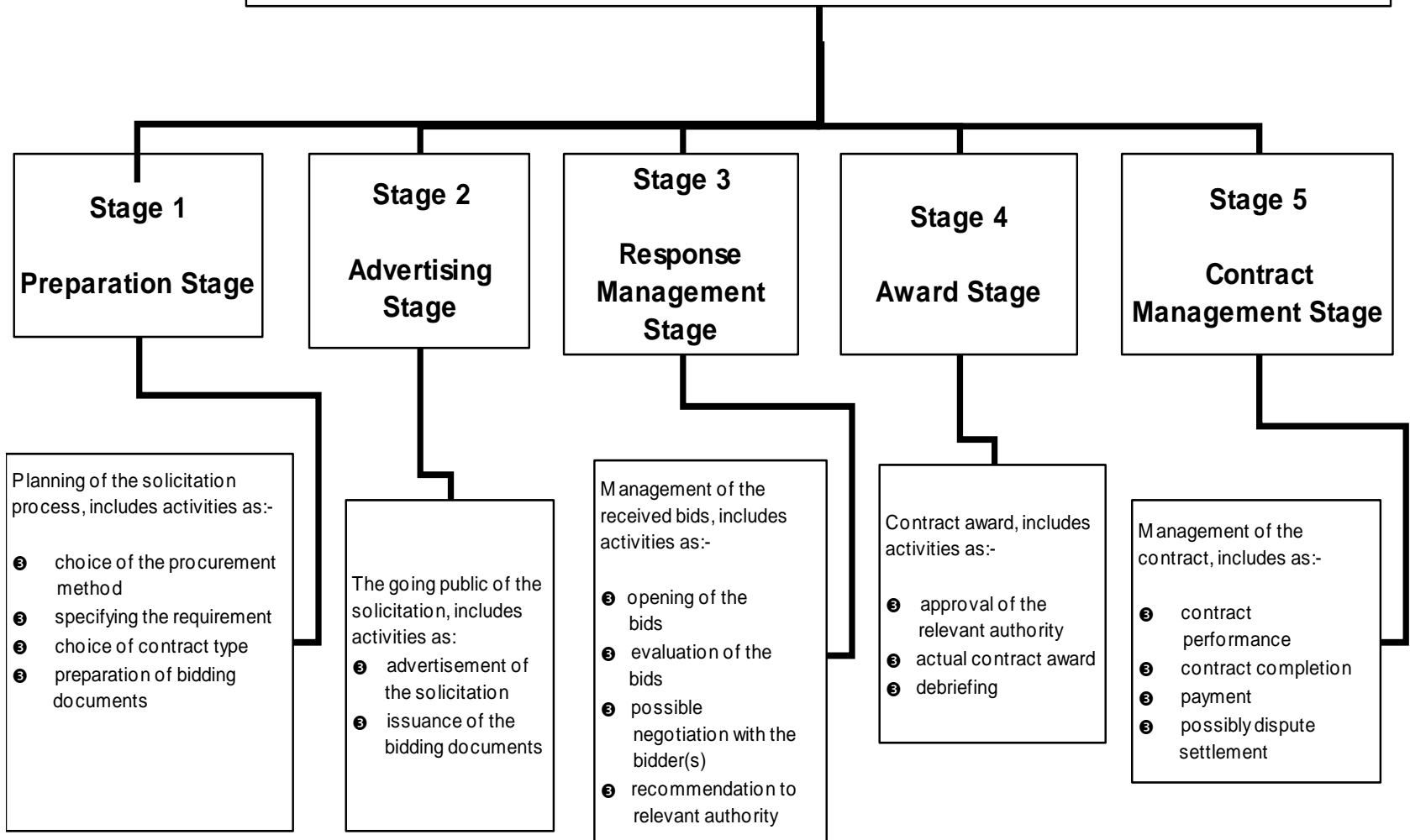
ACQUISITION
MANAGEMENT

MONITORING & CONTROL

CONTRACT
MANAGEMENT

Public Procurement Environment

The environment in which the procurement proceedings take place

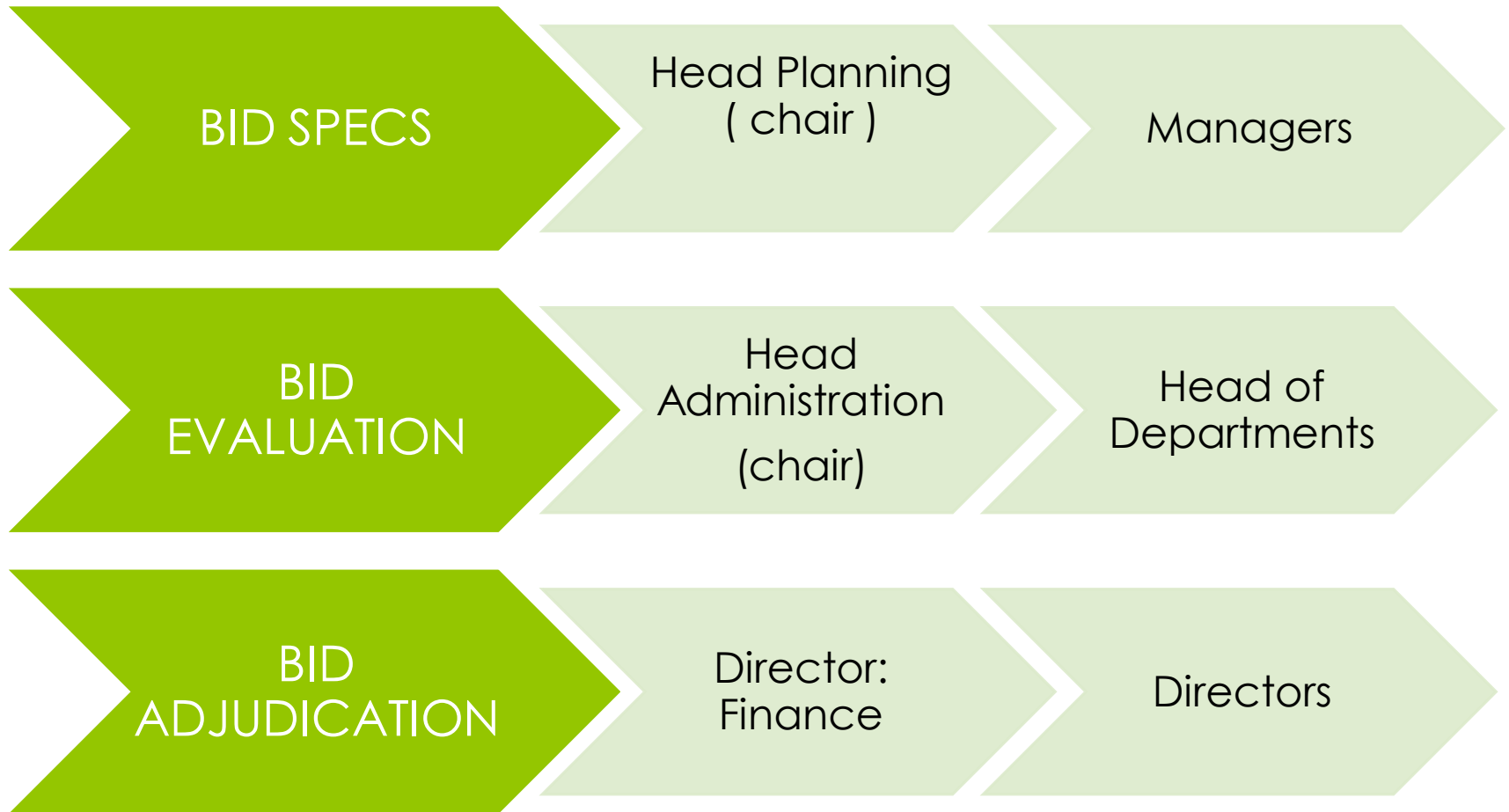


DRAKENSTEIN MUNICIPALITY

PROCUREMENT BID COMMITTEES MEETING PROGRAM FOR 2011

SPECIFICATIONS							EVALUATION							ADJUDICATION							COUNCIL							MAYCO							WEEKENDS & PH's																				
JANUARY														FEBRUARY														MARCH														APRIL													
M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S																												
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BID COMMITTEE COMPOSITION



SEGRAGATION OF DUITES



TENDER PLAN

CORPORATE SERVICES - CAPITAL BUDGET TENDER PLAN FOR 09/10 FINANCIAL YEAR

ITEM NUMBER	COST CENTRE	VOTE NUMBER	DESCRIPTION	BUDGET 2010/2011	COMMENTS	Expected date of Specifications	Actual Specifications date	Expected Advertising date	Actual Advertising date	Advertising Closing date	Expected Date of Evaluation	Actual Evaluation date	Expected Date of Adjudication	Actual Adjudication date
CORP12	INFORMATION TECHNOLOGY	3030-4-06-544-00	SOFTWARE AND LICENSES	1,940	ICT 1/2010		2-Sep-10		9-Sep-10	23-Sep-10		27-Oct-10		28-Oct-10
CORP15	MUN. BUILDINGS: CIVIC CENTRE (P)	3050-4-06-179-00	UPGRADING OF CIVIC CENTRE (LIFTS AND	7,050	CES 20/2010		10-Feb-11		17-Feb-11	3-Mar-11		22-Mar-11		29-Mar-11
					Yes, Protective services tender									
CORP18	MUN. BUILDINGS: CIVIC CENTRE (P)	3050-4-06-187-00	TIME AND ATTENDANCE SYSTEM AND S	2,200										
CORP19	MUN. BUILDINGS: CIVIC CENTRE (P)	3050-4-06-323-00	OFFICE ALTERATIONS ALL FLOORS	2,394										
CORP28	MUN. BUILDINGS: COMMUNITY HALL	3055-4-06-077-00	AIRCONDITIONING	716,800	ED 6/2010	1-Sep-10	11-Oct-10	1-Sep-10	21-Oct-10		1-Oct-10	29-Nov-10	1-Oct-10	3-Dec-10
	MUN. BUILDINGS: PAARL HALL	3055-4-06-077-00	AIRCONDITIONING	716,800	ED 13/2010	16-Sep-2010	9-Dec-10	23-Sep-10	27-Jan-11	10-Feb-11	1-Nov-10	22-Mar-11	5-Nov-10	29-Mar-11
					purchase of land from Department of Public Works									
CORP41	MUN. BUILDINGS: LAND AND BUILDINGS (P)	3060-4-06-534-00	LAND ACQUISITION	19,992										
					Yes, Engineering services tender									
CORP42	MUN. BUILDINGS: LAND AND BUILDINGS (P)	3060-4-06-535-00	SERVICES FOR INDUSTRIAL DEVELOPME	4,775										
CORP32	MUN. BUILDINGS: COMMUNITY HALL	3085-4-06-078-00	AIRCONDITIONING	0	ED 6/2010	1-Sep-10	11-Oct-10	1-Sep-10	21-Oct-10		1-Oct-10	29-Nov-10	1-Oct-10	3-Dec-10
CORP14	MUN. BUILDINGS: CIVIC CENTRE (P)	3050-4-06-179-00	UPGRADING OF CIVIC CENTRE (LIFTS AND	Carry Over	CES 8/2011		17-Mar-11		24-Mar-11	11-Apr-11		6-Jun-11		10-Jun-11
CORP32	MUN. BUILDINGS: COMMUNITY HALL	3085-4-06-078-00	AIRCONDITIONING	Carry Over	ED 3/2011		17-Mar-11		24-Mar-11	7-Apr-11	20-Jun-11	6-Jun-11	24-Jun-11	10-Jun-11

CES 21/2009 awarded by BAC on 9 April 2010

BID SPECIFICATIONS
COMMITTEE: section 27

TERMS OF REFERENCE

QUESTIONNAIRE

NOTICE

COMPOSITION

ATTENDANCE

PROCEDURE

NO	QUESTION	Y	N	COMMENTS
1	What is the duration period of the proposed tender?	X		THREE YEAR PERIOD
2	If more than 3 years, was it advertised appropriately in the local media as prescribed by the Systems Act?			N/A
3	Are the specifications drawn up in an unbiased manner?	X		
4	Is the tender linked to a time frame or a budget allocation?	X		
5	Which vote number will be utilized?			N/A
6	What is the budget amount?			N/A
7	VENUS print screen attached as confirmation of available budget?			N/A
8	What is the cost estimate of this project?			N/A
9	What is the estimated cost of professional fees linked to project?			N/A
10	What is the total estimated cost/amount of the project?			N/A
11	What is the proposed CIDB contractor grading?			N/A
12	Is this project/job linked to the municipal IDP?			N/A
13	Why can't this specific tender not be unbundle to accommodate contractors with smaller CIDB gradings			
14	Why can this project not be linked as an Extended Public Works Programme project? - Please provide reasons.			N/A
15	Are any additional costs foreseen to this tender?		X	
16	In what way will this tender support SMME's. Please provide reasons.			
17	Will the market place be tested in an open, fair and unbiased manner?	X		
18	What informed the relevant department to draw up the specifications in such a way?			N/A

19	Will the relevant department, in the event of an aggrieved supplier or in a court of law, be able to motivate that the technical specifications were drawn up in an unbiased manner in terms of misrepresentation of information presented?	14	X	
20	Does this tender allow for potentially emerging contractors?		X	
21	Does the department see any reason why this contract will be extended?		X	
22	Who shall be the contact person on this tender/contract in terms of management/administration?			L KOEKEMOER
23	In the event that tender will be evaluated in terms of functionality/quality, indicate the individuals/panel involved.			Name: Capacity: Name: Capacity: N/A Name: SCM Official:
24	Is the department aware of other organs of state that can supply the same goods/services?		X	
25	Are the criteria for functionality in terms of tenders for consultants drawn up in an unbiased manner?			
26	Will the tender document make any reference to acceptable quality standards which the goods/services should comply with? (SABS, Electrical Board, etc.)		X	
27	Do the proposed specifications comply with the relevant or applicable legislation/policies?		X	

BID EVALUATION COMMITTEE:
section 28

TERMS OF REFERENCE

QUESTIONNAIRE

NOTICE

ATTENDANCE

COMPOSITION

EVAUATION
CHECKLIST

Administration			
1	Bid is administratively complaint and acceptable ?		13 Declaration of bidder's past supply chain management practices Completed(MBD 8)
2	Company's Registration Certified Copies Attached?		a) Is the bidder or any of its directors listed on the National Treasury's database as a company or person prohibited from doing business with the public sector?
3	Proof of ownership certified copies attached?		b) Is the bidder or any of its directors listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of
4	Copies of ID		Corrupt Activities Act(No 12 of 2004)?
5	Registered at CIDB + CIDB Grading Number?		c) Was the bidder or any of its directors convicted by a court of law for fraud or corruption during the past five years?
6	Proof of Disability Ownership		d) Does the bidder or any of its directors owe any municipal rates and taxes or municipal charges to the municipality/municipal entity, or to any other municipality/municipality entity that is in arrears for more than three months?
7	Tax Clearance Confirmation		e) Was any contract between the bidder and the municipality /municipal entity or any other organ of state terminated during the past five years on account of failure to perform on or comply with the contract?
8	Vat Registration confirmation		14 Certificate of Bid Determination form completed? (MBD.9)
9	Company's Municipal rates and taxes in order?		15 Local labour requirement + Does bidder comply?
10	Declaration of Interest Completed(MBD 4)		16 Price Firm or Non-Firm?
	Company connected to any official in service of the state		17 Tenderer comply technically
	Bidder in service of the state?		18 Bank rating ?
	Awards made to a spouse, child or parent of a person in the service of the state?		19 Budgeted Y/N
11	Convicted or fraudulent after 1994 and listed on NT database blacklist		20 Does tender's term exceeds the current financial year ?
12	Are value of transaction above R 10 million		
	a) Annual financial statement for auditing attached?		
	b) Certificate to certify that no undisputed commitments iro municipal services +30 days		

OUR GREATEST CHALLENGE

- DEMAND
MANAGEMENT

WHAT IS DEMAND MANAGEMENT?

Demand Management is about identifying the critical resources required to successfully implement the objectives of the municipality.

A municipality must be aware of what goods and services will need to be procured during the financial year to implement programmes and projects identified in the IDP.

OBJECTIVES OF DEMAND MANAGEMENT

To ensure that the right product is available at the right time place, price, quantity and quality.

- Ensuring cost effective and transparent procurement of goods and services (value for money).
- To promote of the principles of BBBEE.
- Promote accurate budgeting.
- Lead to the eradication of unwanted stock held at stores.
- Ensuring that the products / services procured aims to fulfill the objectives set in the IDP.
- Accurate forecasting of current and future needs of the municipality.

The Demand Management System must:-

- a) include timely planning and management processes to ensure that all goods and services required are quantified, budgeted for and timely and effectively delivered at the right locations and at the right critical dates.
- b) take into account any benefits of economies to scale that may be derived in the case of acquisitions of a repetitive nature.
- c) Provide for the compilation of the required specifications to ensure that its needs are met.
- d) To undertake appropriate industry analysis and research to ensure that innovations and technical benefits are maximized

Demand management continue.....

- HISTORICAL ANALYSIS
- NEEDS ANALYSIS
- ASSESSING OF REQUIREMENTS
- FORECASTING

OUR STRATEGY

- IDENTIFY RELEVANT OFFICIALS FROM ALL DIRECTORATES
- ESTABLISH A DEMAND MANAGEMENT COMMITTEE
- DRAW UP TOR
- COMMITTEE TO MEET ONCE A MONTH
- ALL NEEDS FOR COMING MONTH ARE MOTIVATED
- LEADING DEPARTMENTS (LED AND IDP SECTION AND SCM)
- DEPARTMENTS ARE FORCED TO BRING SPECS TO DEMAND COMMITTEE
- TOO MANY PREFERENCES AND IT WILL BE LIMITED (SAMSUNG , LG , ETC) PER DIRECTORATE
- DEMAND MANAGEMENT COMMITTEE TO SACTION SPECS
- LINE ITEMS AS PER BUDGET WILL SERVE AS GUIDE
- MAIN OBJECTIVE - TO GIVE EFFECT TO DEMAND MANAGEMENT PLAN
- DEVELOPMENT OF A PROCUREMENT PLAN

IMPLEMENTED THUS FAR.....

- SET DATES FOR STATIONERY , TEA , COFFEE , ETC
- PROCURE ONLY ONCE A MONTH SUCH ORDERS
- HAVE SET DATES FOR ALL BUILDING AND CONSTRUCTION RELATED REQUESTS (UNDER R200 000.00)
- SET DATES FOR YEAR CLOSURE OF SOURCING (8 DECEMBER) COMMUNICATED IN OCTOBER ALREADY.
- ONCE A WEEK ON A THURSDAY ON NOTICE BOARDS
- OPEN NEXT WEEK IN FRONT OF ALL BIDDERS
- VARIOUS JOB CREATION PROJECTS WHERE WE DID NOT FOLLOW THE SCM ROUTE
- OBJECTIVE - LOCAL ECONOMIC DEVELOPMENT ENHANCEMENT

MEMORANDUM

FINANCIAL SERVICES
 SECTION: SUPPLY CHAIN MANAGEMENT

TO:	ALL DEPARTMENTS
ATTENTION:	EXPENDITURE MANAGERS AND PERSONNEL
FROM:	SUPPLY CHAIN MANAGEMENT
SUBJECT:	ARANDA COSTS
REFERENCE NO:	AS/12/2010
DATE:	20 JANUARY 2010

**AAVREAGMANSKOPPE, HANDELSKOPPE, SKRYFTEHOEFTE EN
 TEESKOFFIE UITDAGINGS
 REQUEST FOR MONTHLY STATIONERY & TEA AND COFFEE EXPENSES**

Hieronder volg die datums vir 2010 vir die indiening van elektroniese rekwisielies versoek vir die aankoop van skryfgoed en teeskooffie uitgewas na die Verkrygingsuitdaging. Geen elektroniese verzoekte na datums en aankoop of afgehandel word nie.

Herewith the dates for 2010 for electronic request for stationery and teescoffee requests to procurement. No requests in between will be processed.

- 28 January
- 28 February
- 28 March
- 28 April
- 27 May
- 24 June
- 28 July
- 28 August
- 28 September
- 28 October
- 28 November
- 18 December



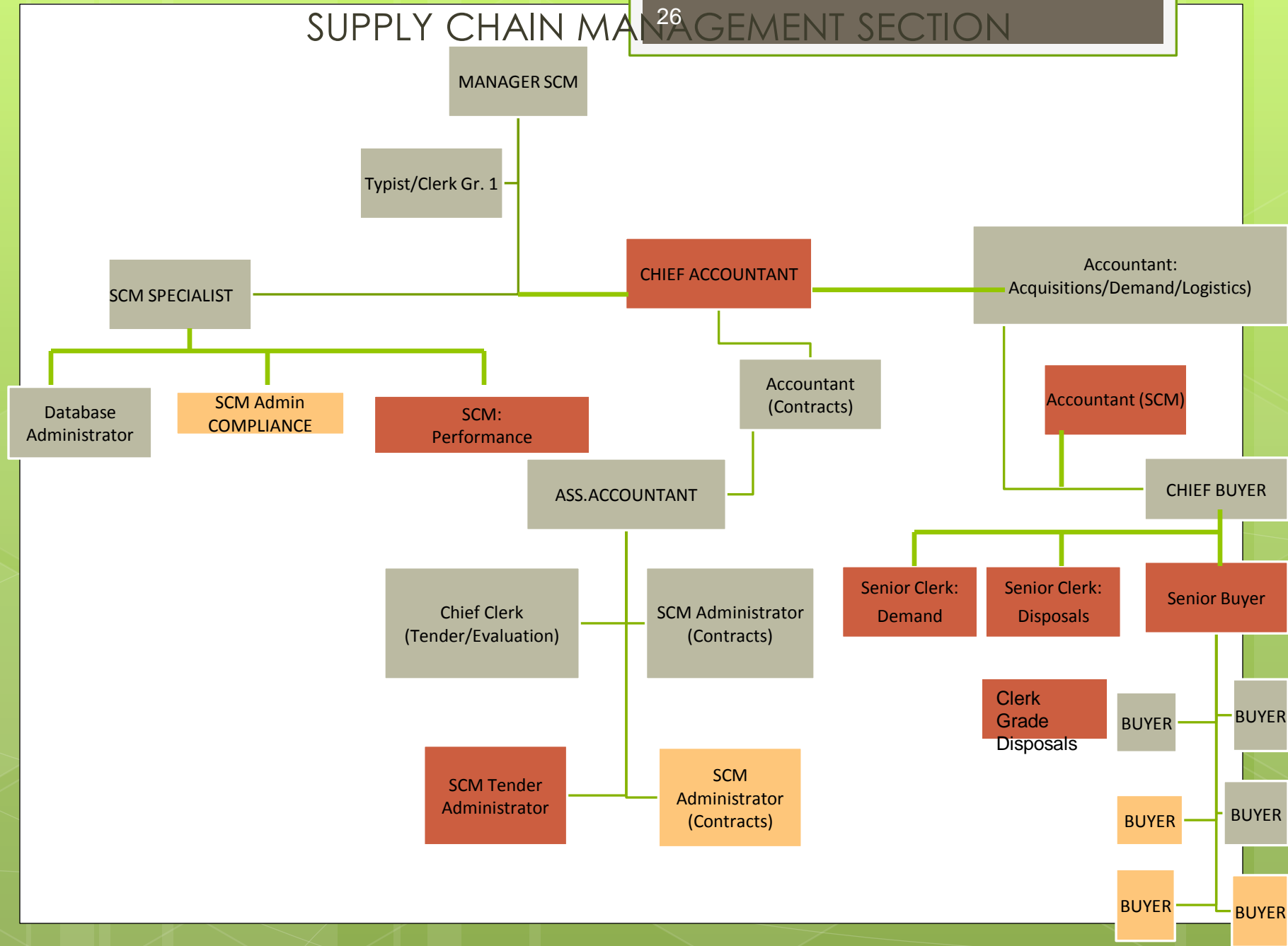
D. JACOBS
SUPPLY CHAIN MANAGER

DRAKENSTEIN ALSO IMPLEMENTED

- CONTRACT MANAGEMENT
- ACQUISITION MANAGEMENT
- COMPLIANCE , REPORTING
- PERFORMANCE MANAGEMENT
- BUSY RISK MANAGEMENT (CHALLENGE SECTION 41)
- DISPOSAL MANAGEMENT

SUPPLY CHAIN MANAGEMENT SECTION

26



CONTRACT MANAGEMENT



BID DECISIONS

- Process orders according to bid decision

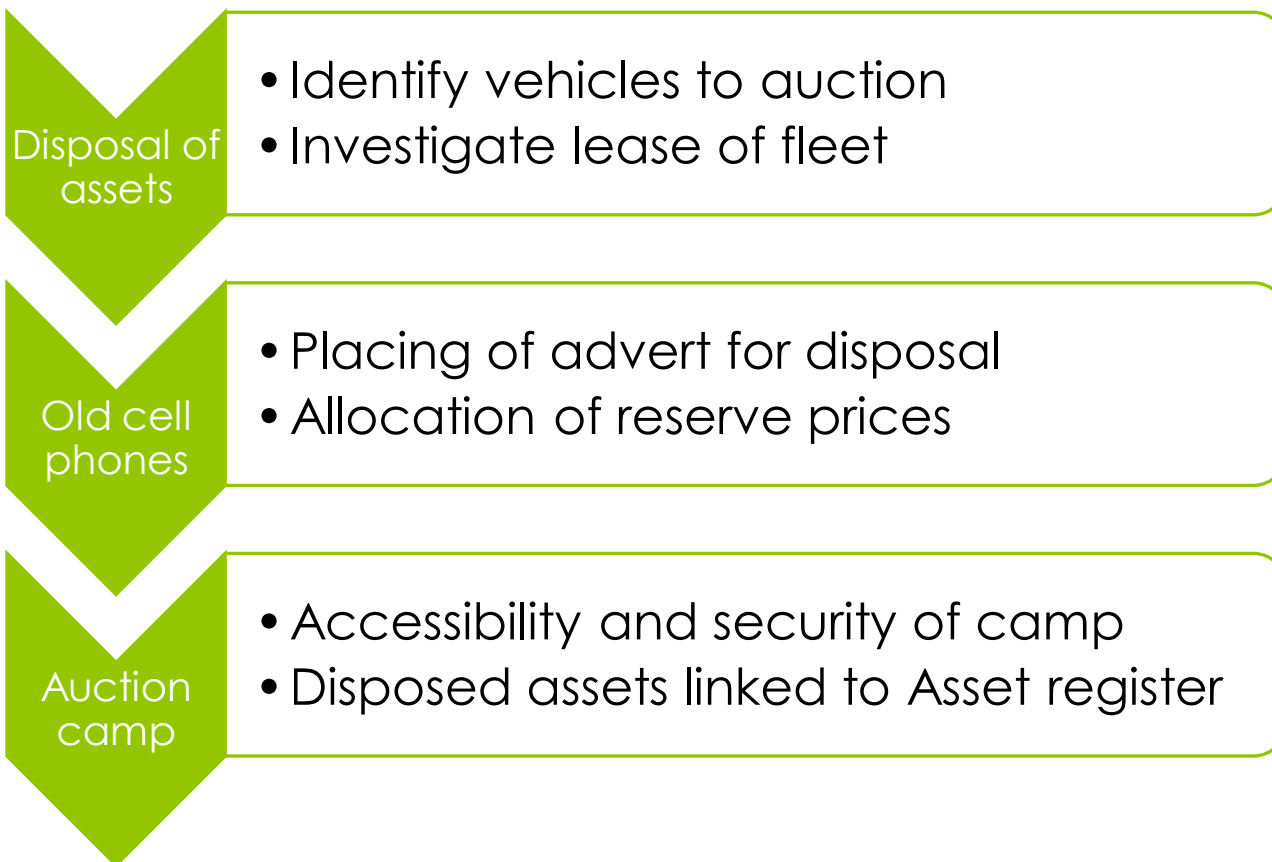
Contract Signing

- Streamline process with MM for signing
- Regular updates of Contract register

Leases

- Regular update of Lease Register
- Lease register = AFS

DISPOSAL MANAGEMENT



PERFORMANCE, RISK, COMPLIANCE

VENUS

- Alignment with SCM needs
- Request assistance from VENUS specialist

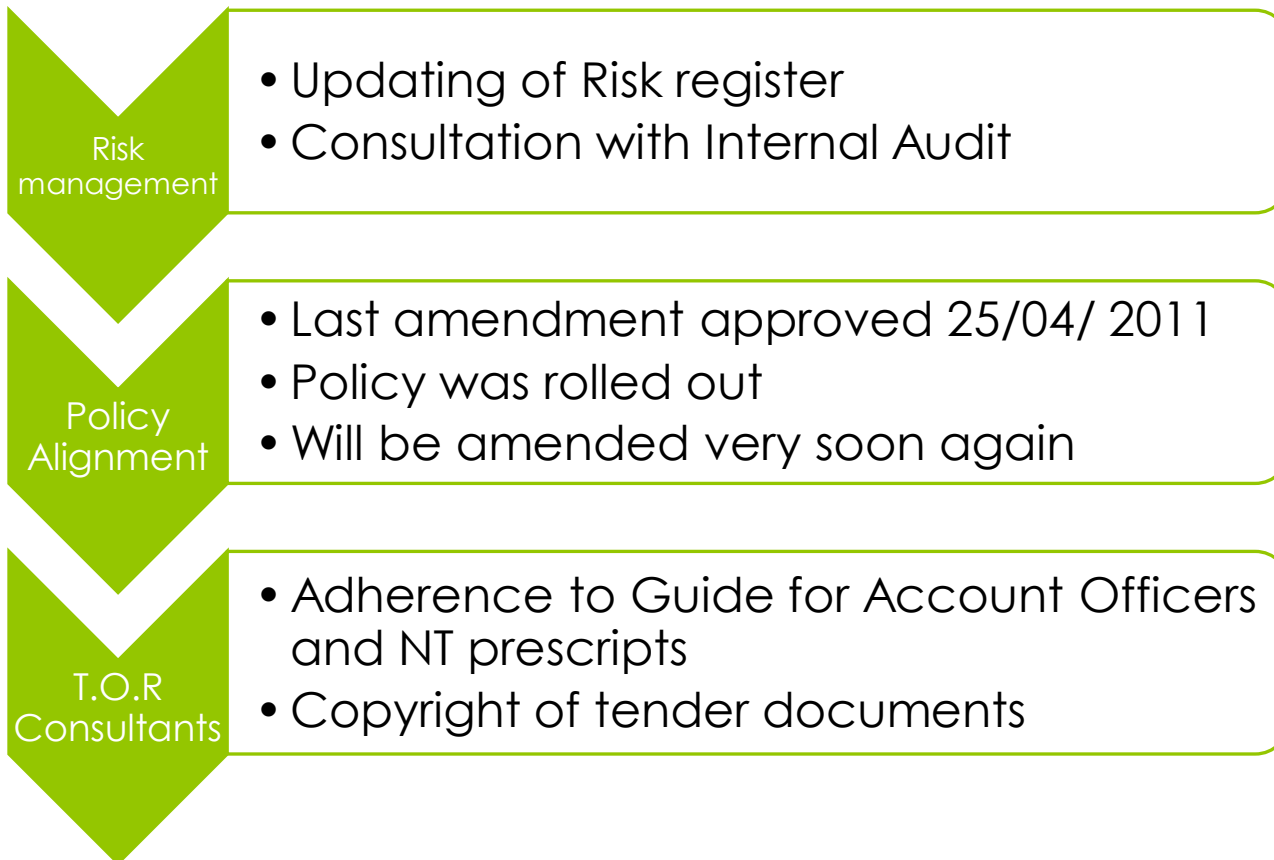
Supplier
database

- Data need to be credible and reliable
- Amend supplier categories

MFMA
reports

- Compliance to MFMA due dates and requirements
- Keep record for audit purposes

PERFORMANCE, RISK, COMPLIANCE



STATS FIN YEAR 10 / 11

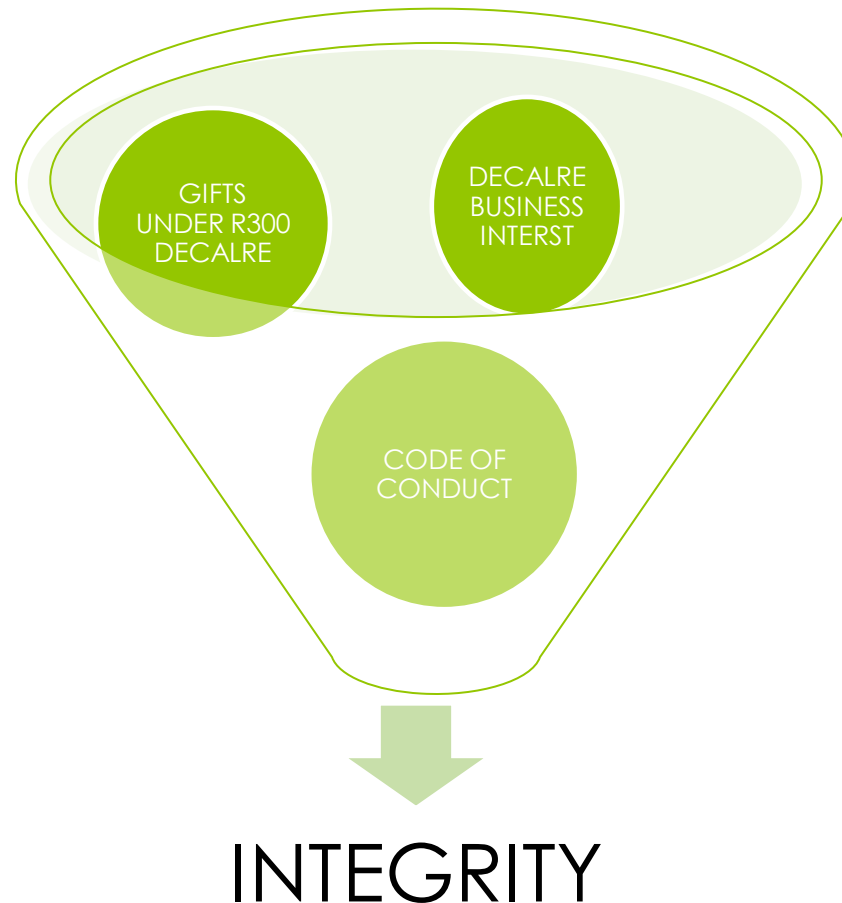
The following can be classified as procurement expenditure for period 1 JULY 2010 - 30 JUNE 2011

Status Classification	Amount Procured	Total Proc Exp	% Of Procurement Expenses
HDI OWNERSHIP	215,674,785	435,089,794	50%
WOMEN OWNERSHIP	83,283,983	435,089,794	19%
DISABLED OWNERSHIP	162,268	435,089,794	0%
LOCAL LABOUR	171,917,562	435,089,794	40%
LOCAL ENTERPRISE	150,468,761	435,089,794	35%
OUTSIDE PAARL	281,126,180	435,089,794	65%

CHALLENGES FOR MUNICIPALITIES

- MUNICIPALITIES MUST URGENTLY ESTABLISH DEMAND MANAGEMENT COMMITTEE 's
- IMPLEMENTATION OF AN EFFECTIVE RISK MANAGEMENT FRAMEWORK AND PLAN (SECTION 41)
- IMPLEMENTATION OF BBBEE REGULATIONS ON 7 DECEMBER 2011
- TO ENSURE HIGHEST ETHICAL STANDARDS
- TO FULLY COMPLY TO AG AND TO OBTAIN CLEAN AUDIT
- TO TRANSFORM FROM REACTIVE TO PROACTIVE SCM UNITS
-
- USB INITIATIVE - DEVELOPMENT OF BEST PRACTISE MODELS ON SCM

ETHICAL STANDARDS



THANK YOU

BAIE DANKIE

ENKOSI

QUESTIONS ?????

VRAE ?????

UMBUZO ?????