



BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

SUPPLY CHAIN MANAGEMENT REPORT
FOR THE PERIOD 01 JANUARY 2020 TO 31 MARCH 2020

Contents

- 1. Introduction..... 3**
- 2. SCM Policy & Procedures 3**
 - 2.1 Adoption of Policy by Board..... 3**
 - 2.2 SCM Procedures..... 3**
 - 2.3 Delegations 3**
 - 2.4 Infrastructure Procurement..... 4**
- 3. Functioning of the SCM Unit 4**
 - 3.1 SCM Structure:..... 4**
 - 3.2 Declaration of Interest: 4**
- 4. Functioning of Bid Committees 4**
- 5. Reporting Items..... 10**
 - 5.1 Deviations..... 10**
 - 5.1.1 Section 114 (Approval of tenders not recommended)..... 10**
 - 5.1.2 Regulation 32 (Procurement of goods and services under contracts secured by other organs of State) 10**
 - 5.1.3 Regulation 36 (Deviation from, and ratification of minor breaches of, procurement processes)..... 10**
 - 5.2 Unauthorized, Irregular, Fruitless & Wasteful Expenditure 11**
 - 5.3 Central Suppliers Database (CSD)..... 12**
 - 5.4 Procurement Plan Implementation 12**
 - 5.5 Bids Awarded >R100K 13**
 - 5.6 Agency Bid Appeals 13**
 - 5.7 Contract Management..... 13**
 - 5.7.1 Contracts Register Statistics..... 13**
 - 5.7.2 Variations 13**
 - 5.7.3 Supplier Performance Management 14**
 - 5.8 Unsolicited Bids 16**
 - 5.9 Competitive bids advertised and Formal written quotations 16**
- 6. Preferential Procurement Policy Framework Act (PPPFA), Reg. 2017 19**
 - 6.1 Contracts with Pre-Qualification (Regulation 4) 19**
 - 6.2 Contracts awarded above R30 million (Contract Participation Goals) (Regulation 4) 19**
- 7. Expenditure On Youth and Women 19**
- 8. Expenditure On BBEE 19**
- 9. Conclusion and Recommendation..... 24**

1. Introduction

The Supply Chain Management (SCM) policy of the Agency and the Local Government: Municipal Supply Management (SCM) Regulations state under paragraph 16(3) that the Accounting Officer must report to the Board of Directors, on the implementation of the SCM policy.

When fulfilling its procurement objectives, the Agency must comply with the SCM Regulations and its Supply Chain Management Policy.

The Municipal Finance Management Act states that the Accounting Officer is responsible for managing the financial administration of the municipal entity, and must for this purpose take all reasonable steps to ensure that the resources of the municipal entity are used effectively, efficiently and economically

1.1 Purpose

To report on the implementation of the Agency's Supply Chain Management Policy for the period 01 January to 31 March 2020.

1.2 Legislative Framework

The South African Constitution Section 217

The Municipal Finance Management Act No. 56 of 2003 (MFMA), Chapter 11

Local Government: Municipal Supply Management (SCM) Regulations of 2005

Preferential Procurement Policy Framework Act No. 5 of 2000 (PPPFA)

Preferential Procurement Regulations, 2017

Supply Chain Management Policy

2. SCM Policy & Procedures

2.1 Adoption of Policy by Board

The revised SCM Policy was approved by Board in August 2018.

2.2 SCM Procedures

Standard operating procedures are in place and were adopted by the Agency's Executive Management.

2.3 Delegations

SCM Process Delegations are stipulated in the approved SCM Policy and are adhered to.

2.4 Infrastructure Procurement

The Agency has not yet adopted the Standard for Infrastructure Procurement and Delivery Management as it is still at consultation stage nationally.

3. Functioning of the SCM Unit

3.1 SCM Structure:

As at 31 March 2020 the only SCM practitioner in the Agency was the Manager: SCM and Asset Management who reports directly to the CFO and assisted by the Finance Intern assigned to the SCM Unit. An SCM Practitioner was appointed on 01 April 2020 to supplement this unit.

3.2 Declaration of Interest:

Along with all other Agency personnel, the SCM Personnel declare their interests annually. With regards to bid committee meetings, all members complete declaration of interest form for each sitting.

3.3 Training of SCM Personnel:

No formal training has been undertaken by the for SCM Personnel to date. However, training is being arranged through the Office of the CFO of the Parent Municipality as required by the Provincial Treasury and as at the date of reporting, training registration forms have been submitted to this office for training interventions that are being organized by the Department of Cooperative Governance and Traditional Affairs. These training interventions were expected to take place during the period September 2019 to March 2020 throughout the Province, however as at the date of compiling this report these training interventions had not yet started. As an alternative measure the Agency is concluding a tender process for corporate training initiatives that will include training of SCM Personnel.

4. Functioning of Bid Committees

4.1 Bid Committees are constituted as follows:

Bid Specification Committee (BSC)	Bid Evaluation Committee (BEC)	Bid Adjudication Committee (BAC)
Ms. O. Makalima (Manager: Marketing and Communications) – Office of the CEO.	Mr. A. Manciya (Manager: Supply Chain and Asset Management) – Office of the CFO. Membership terminated on 01 March 2020.	Ms. V. Ntsodo (Chief Financial Officer) – Chairperson.

Mr. A. Manciya (Manager: Supply Chain and Asset Management) – Office of the CFO	Mr. L. Hute (ICT Administrator) – Corporate Services	Dr. E. Uithaler (Executive Manager: Development Facilitation)
Ms. N. Mpongoshe (Manager: Legal Services and Company Secretary) – Office of the CEO.	Ms. A. Mayeza (Project Manager: Socio Economic Development) - Development Facilitation	Mr. X. Jikela (Executive Manager: Corporate Services)
Mr. G. Yawathe (Project Manager: Infrastructure Development) – Development Facilitation – Chairperson	Ms. S. Mgudlwa (Manager: Financial Administration) – Office of the CFO. Membership Terminated on 31 January 2020.	Ms. N. Mpongoshe (Manager: Legal Services and Company Secretary) – Office of the CEO.
	Ms. Z. Ngxatha (Risk and Compliance Officer) - Office of the CEO. Membership commenced on 01 February 2020.	Mr. O. Makalima (Manager: Investment Promotion & Tourism Development) – Office of the CEO
	Mrs. A. Ntshokoma (Programme Manager: Development Facilitation) – Development Facilitation - Chairperson	Mr. A. Manciya (Manager: Supply Chain and Asset Management) – Office of the CFO. Membership commenced on 01 March 2020.
	Mr. A. Manciya (Manager: Supply Chain and Asset Management) – Office of the CFO. Membership Terminated on 29 February 2020.	Mrs. Z. Qomfo (Office Administrator) – Office of the CFO. Secretariat. Commenced on 01 March 2020.
	Mr. A. Xoseka General Manager: Expenditure and financial reporting (Advisor to the acting General Manager: SCM) -	

5.2 Unauthorized, Irregular, Fruitless & Wasteful Expenditure

There were no instances of Unauthorized and fruitless and wasteful expenditure.

The following is a summary of irregular expenditure to date:

DESCRIPTION	2020	2019
Opening Balance	13,353,047.97	
Add: irregular expenditure identified during the year incurred in previous periods		4,713,523.92
Add: Incurred in current year	15,277,905.30	8,639,524.05
Closing balance as at 31 March 2020	28,630,953.27	13,353,047.97

A detailed schedule of irregular expenditure is attached as Annexure C3. The irregular expenditure is as a result of non-compliance with the MFMA SCM Regulations 28 and 29 that sets out provisions for composition of the BEC and BAC. In terms of these regulations, both the BEC and BAC membership must include SCM Officials. The regulations further provide that no member of the BEC may be a member of the BAC. However, due to the organizational structure of the Agency, only one SCM Official exists and hence it was not possible to comply with these provisions. This resulted in the Auditor General recommending that the Agency should classify all expenditure considered by the BAC as irregular expenditure.

As a temporary measure to prevent such irregular expenditure, the Agency appointed SCM Officials from the parent municipality to assist in the BEC. The existing SCM Official, Manager: SCM and Asset Management, was appointed as a BAC member. As a permanent solution, an SCM Practitioner has been appointed and since commenced duty on 01 April 2020.

The National Treasury has been consulted on the matter to provide advice as to whether this should be treated as irregular expenditure or a mere non-compliance with legislation. No response had been received from the Treasury as at the date of compiling this report.

In addition to the above, the Agency had started a process of appointing the Internal Audit to conduct an investigation into the irregular expenditure. These efforts were halted by the national lockdown. As at the time of compiling this report a letter had been sent to the Internal Audit to give effect to the investigation process.

5.3 Central Suppliers Database (CSD)

The CSD continues to be relied upon, for each procurement, as the central source for verification of the following:

- i) Directors/shareholders/members of bidders that are in the service of the state;
- ii) Bidders status with the Companies and Intellectual Property Commission (CIPC);
- iii) Bidders tax compliance status;
- iv) Whether or not bidders and their directors are restricted suppliers in terms of National Treasury's list of restricted suppliers;

With the assistance of the CSD, none of the above requirements have been contravened.

The following personnel have access to the CSD:

- i) The CFO;
- ii) The Manger: SCM and Asset Management.

5.4 Procurement Plan Implementation

During the period under review the Agency developed a procurement plan in line with MFMA Circular 62 guidelines. All procurement in excess of R200 000 is undertaken in terms of the procurement plan and the approved budget. The procurement plan must be adhered to in order to assist with determination of cash flows, readiness of the SCM systems and implementation of the Agency's APP. The table attached as "ANNEXURE C1" reflects status of implementation of the procurement plan as at the date of preparing this report.

5.5 Bids Awarded >R100K

No	Bid No.	Bid Description	Award Value	Award Date	Date Contract Signed	Contract Start Date	Contract Duration
NON E	N/A	N/A	N/A	N/A	N/A	N/A	N/A

No bids were awarded during the quarter ended 31 March 2020.

5.6 Agency Bid Appeals

No awards were appealed during the quarter under review.

5.7 Contract Management

See Annexure C2 for detailed contracts register.

5.7.1 Contracts Register Statistics

No. of Current Contracts	No. of contracts awarded to SMMEs within the municipal area (local suppliers)	No. of Contracts about to expire in <6 months	No. of Expired Contracts but still in use
30	26	1	None

5.7.2 Variations

i) Variations within 15% or 20%

No.	Contract No.	Contract Description	Contract Value	Reasons for Variation	Amount
NONE	N/A	N/A	N/A	N/A	N/A

ii) Variations above 15% or 20%

Contract No. & Description	Contract Value	Reasons for Variation	Amount	Date Tabled at Council	Date of Notice to Community
TC 1 OF 2017: MSCOA	R3 751 880.56	National Treasury instruction that	R1 023 930	N/A	N/A

Contract No. & Description	Contract Value	Reasons for Variation	Amount	Date Tabled at Council	Date of Notice to Community
Integrated Financial Management and Internal Control System. (Transversal Contract – RT 25 – 2016)		the duration of all SLAs emanating from RT 25-2016 to be extended from 36 months to 60 months;			

5.7.3 Supplier Performance Management

No	Contract no. & Description	Name of Contractor	Date of Supplier performance assessment	Supplier Performance Assessment Report Compiled		Supplier performance assessment / performance average rating
				Yes	No	
1.	Single Source - Organ of the state	EL IDZ	Monthly	✓		80%
2.	NT Transversal Contract - TC 1 of 2017	Camelsa Consulting Group	Monthly	✓		57%
3.	Bid 1 of 2017	First National Bank	Monthly	✓		65%
4.	Bid 2 of 2018	Harvey world travel	Monthly	✓		60%
5.	RFQ	Marsh (Pty) Ltd	Monthly	✓		60%
6.	Bid 6 of 2018	Konika Minolta	Monthly	✓		80%
7.	Bid 7 of 2018	Odirile (Pty) Ltd	Monthly	✓		81%
8.	Bid 8 of 2018	Nala Consortium	Monthly	✓		69%
9.	Bid 9 of 2018	Mekan Engineering	Monthly	✓		71%

No	Contract no. & Description	Name of Contractor	Date of Supplier performance assessment	Supplier Performance Assessment Report Compiled	Yes	No	Supplier performance assessment / performance average rating
10.	Bid 10 of 2018	Sthathu Funding (Pty) Ltd	Monthly	✓			86%
11.	Bid 2 of 2019	Lunika Chartered Accountant	Monthly	✓			78%
12.	Bid 5 of 2019	Mink-Line Consulting	Monthly	✓			100%
13.	Bid 7 of 2019	Amended Recline Trading and Projects	Monthly	✓			90%
14.	RFQ 4 of 2019	Pamoja Asset Management	Monthly	✓			88%
15.	Bid 10 of 2019	Genbiz Trading 1001 (Pty) Ltd T/A Xerox	Monthly	✓			80%
16.	Bid 11 of 2019	Gemin Moon Trading	Monthly	✓			83%
17.	Bid 13 of 2019	Vargafon (Pty) Ltd	Monthly	✓			80%
18.	Notice 18 of 2019	Mithasa Consulting (Pty) Ltd	Monthly	✓			35%
19.	Bid 3 of 2019	Gauflora CC	Monthly	✓			70%
20.	Bid 4 of 2019	Mvusuludzo Projects	Monthly	✓			70%
21.	Bid 15 of 2019	Falcolux Security services	Monthly	✓			100%
22.	TC 1 OF 2020	Vodacom Pty Ltd	Monthly	✓			92%

No	Contract no. & Description	Name of Contractor	Date of Supplier performance assessment	Supplier Performance Assessment Report Compiled		Supplier performance assessment / performance average rating
				Yes	No	
23.	Bid 9 of 2019	Insight office furniture (Pty) Ltd	Monthly	✓		79%

All performance rating exceeding 50% is regarded as acceptable.

With regards to Mithasa Consulting (Pty) Ltd, the score is at 35% as a result of outstanding deliverables. The unsatisfactory performance has been communicated with the service provider to an extent that the service provider has made commitments to deliver to the expected level. No payment has been made to this service provider in respect of the outstanding deliverables.

5.8 Unsolicited Bids

Description of Goods/services	Amount	Date Submitted to Council	Supported		Date submitted to Provincial Treasury	Supported	
			Yes	No		Yes	No
NONE	N/A	N/A			N/A		

5.9 Competitive bids advertised and Formal written quotations

i) Competitive bids advertised and not yet awarded

No.	Description	Date advertised	Closing dates	Status
1.	Bid 12 Of 2019- Supply and Deployment Of An Electronic/ Paperless Board Meeting Solution For A Period Of 12 Months (1 Year).	Initial: 08 August 2019. Re-advertised: 22 March 2020	Initial: 23 August 2019. Re-advert closing date extended due to national lockdown.	Re-advertised nationally due to lack of responses.
2.	Bid 16 Of 2019 – Provision Of Employee Wellness Program Services.	Initial: 16 September 2019.	Initial: 25 October 2019.	Re-advertised nationally

No.	Description	Date advertised	Closing dates	Status
		Re-advertised: 26 January 2020	Re-advert closing: 28 February 2020.	as no acceptable responses were received. Currently at evaluation stage.
3.	Bid 1 OF 2020 - Provision of task job grading, remuneration specialist services and job benchmarking for a period of 12 months.	26 January 2020	28 February 2020	Evaluation stage.
4.	Bid 2 OF 2020 Provision of various trainings for a period of 3 years.	26 January 2020	28 February 2020	Evaluation stage.

ii) Requests for formal written quotations (7 Day Notices)

No	Description	Date advertised	Closing dates	Date awarded	Successful bidder	Tender price	BBBEE	Reason for award
1.	Notice 1 of 2020 – Supply and delivery of Computer Equipment (3 laptops and accessories)	17 January 2020	27 January 2020	16 March 2020	Genbiz Trading 1001 t/a Xerox Eastern Cape	R98 511.85	Level two	Scored Highest points

iii) Request for proposals/quotations

No.	Description	Date of advert / invitation	Closing dates	Date awarded	Successful bidder	Tender price	BBBEE	Reason for award
1	RFQ 1 of 2020 - Business case for the development of Duncan Village: Integration of Duncan Village to East London Inner City – To Panel of	19 February 2020	06 March 2020	Evaluation stage	N/A	N/A	N/A	N/A

No.	Description	Date of advert / invitation	Closing dates	Date awarded	Successful bidder	Tender price	BBB EE	Reason for award
	Transactional Advisors.							
2	RFQ 2 OF 2020 - Urban and environmental upgrading, landscaping and maintenance in Leaches Bay – Civil Engineering – To Panel of Small Contractors	04 March 2020	24 March 2020	Evaluation stage	N/A	N/A	N/A	N/A
3	RFQ 3 OF 2020 - Urban and environmental upgrading, landscaping and maintenance in Leaches Bay – General Building – To Panel of Small Contractors	04 March 2020	24 March 2020	Evaluation stage	N/A	N/A	N/A	N/A
4	RFQ 4 OF 2020 - Urban and environmental upgrading, landscaping and maintenance in Marina Glen B (Ebuhlanti) - General Building – To Panel of Small Contractors	04 March 2020	24 March 2020	Evaluation stage	N/A	N/A	N/A	N/A
5	RRQ 5 of 2020 - Urban and environmental upgrading, landscaping and maintenance in the EL CBD as part of bids.- Civil Engineering Works – To Panel of Small Contractors	12 March 2020	31 March 2020 (subsequently extended indefinitely due to national lockdown)	N/A	N/A	N/A	N/A	N/A

6. Preferential Procurement Policy Framework Act (PPPFA), Reg. 2017

6.1 Contracts with Pre-Qualification (Regulation 4)

No	Name of the contractor	Contract Description	Pre-qualification Criteria	Award Value	Date of Award
NONE	N/A	N/A	N/A	N/A	N/A

6.2 Contracts awarded above R30 million (Contract Participation Goals) (Regulation 4)

Name of the contractor	Contract Description	Sub-Contracting Criteria	Award Value	Amount Sub-Contracted	Date of Award
NONE	N/A	N/A	N/A	N/A	N/A

7. Expenditure On Youth and Women

The table below shows the number of youth and women owned business with which the Agency conducted business, as well as expenditure towards such business during the financial year to date.

SUMMARY OF EXPENDITURE TO WOMEN, YOUTH AND OTHER			
CATEGORY	NUMBER OF BUSINESSES	AMOUNT	PERCENTAGE SPENDING
YOUTH	16	1,546,979.12	7%
WOMEN	16	349,364.80	2%
YOUTH AND WOMEN	9	1,196,522.40	6%
OTHER	48	18,636,647.97	86%
TOTAL	89	21,729,514.29	100.00%

8. Expenditure On BBBEE

The following tables provide a complete picture of expenditure per B-BBEE category for the quarter ended 31 March 2020. For the period under review the Agency had set a year-to-date target of 60% expenditure on B-BBEE level one and the actual achievement was 82%.

The major contributors to the over-achievement are the construction projects contractors that were recently appointed for the upgrades on Water World and Court Crescent in the beach front. The annual target is 75% and it is expected that this target will be achieved.

EXPENDITURE PER BBBEE CATEGORY 2019/20 YEAR TO DATE - 31 MARCH 2020				
SUPPLIER NAME	BBBEE LEVEL	AMOUNT	DATE	SERVICE
BBBEE LEVEL ONE EXPENDITURE				
HARVEY WORLD TRAVEL	1.00	51,496.59	2019/07/16	Harvey World Travel - Travel arrangement
NALA CONSORTIUM	1.00	320,646.45	2019/07/10	Nala Consortium - Court Crescent
AYANDA MBANGA COMMUNICATIONS	1.00	14,893.88	2019/07/16	Ayanda Mbanga - Publication
MEKAN ENGINEERING	1.00	243,955.00	2019/07/10	Mekan Engineering - Water World
UTHO CAPITAL	1.00	113,850.00	2019/07/16	Utho Capital - Signal Hill
FALCOLUX SECURITY SOLUTION	1.00	86,186.44	2019/08/22	Safety & Security Services: JUL- AUG'19
HARVEY WORLD TRAVEL	1.00	19,448.62	2019/08/02	Harvey World Travel - Travelling
HARVEY WORLD TRAVEL	1.00	71,578.55	2019/08/15	Harvey World Travel - Travelling
UBUME BEZWE	1.00	15,800.00	2019/08/02	Signages for Mandela Day
UNATHI TRAVEL	1.00	29,600.00	2019/08/02	Materials for a day care centre
SHURUS CONSTRUCTION	1.00	18,600.00	2019/08/02	Shurus Construction - Truck Hiring
ZONKINDAWO TRADING	1.00	10,132.30	2019/08/02	Refreshments for Mandela Day
MEDIA MAESTRO	1.00	14,000.00	2019/08/15	Advertisement - Office Furniture
LANQA ENTERPRISE	1.00	21,830.00	2019/08/02	Mandela Day Beeries
MENLISERVE	1.00	31,942.86	2019/08/02	Provision of strategy consulting service
4GCO	1.00	4,690.00	2019/08/02	Catering services PDIC 22 Augusst
LALUKHELE TRADING	1.00	12,650.43	2019/08/15	Refreshments for Staff
DUAL DYNAMICS	1.00	9,349.89	2019/08/15	Dual Dynamics Solutions - First Aid Kits
EVENT ABLE	1.00	14,625.00	2019/08/15	Event Able - Padded dust musk
TAVA NETWORK	1.00	5,018.98	2019/08/15	Advertisement
UTHO CAPITAL	1.00	308,660.02	2019/08/15	Utho Capital (PTY) Ltd
AMENDED RECLINE TRADING	1.00	52,175.00	2019/09/30	Amended Reclines - Refuse bags
CCG SYSTEMS	1.00	6,600.00	2019/09/03	CCG Systems - mSCOA implementation-budgeting assistance
FALCOLUX SECURITY SOLUTION	1.00	86,186.44	2019/09/03	Falcolux - Security Services
FALCOLUX SECURITY SOLUTION	1.00	86,186.44	2019/09/03	Falcolux - Security Services
HARVEY WORLD TRAVEL	1.00	138,178.72	2019/09/03	Harvey World Travel - Travel arrangements
HARVEY WORLD TRAVEL	1.00	268,786.57	2019/09/30	Travelling reservations for the agency
LIYABONA FACILITIES MANAGEMENT	1.00	1,980.00	03/09/2019	Liyabona Facilities - Catering
LUNIKA CHARTED ACCOUNTANTS	1.00	28,550.00	30/09/2019	Internal Audit Services-AFS & Perf.
NALA CONSORTIUM	1.00	321,701.00	03/09/2019	Nala Consulting Engineers - Professional Services
PHANGELILANGA TRADING	1.00	7,400.00	30/09/2019	Cleaning Materials
MEKAN ENGINEERING	1.00	249,709.60	03/09/2019	Mekan Engineers - Professional Services
MAMBOXESIBE	1.00	29,920.00	30/09/2019	Catering for Councillors workshop
ALGOA CARE	1.00	3,800.00	2019/09/03	Algoacare - Catering
AYANDA MBANGA COMMUNICATIONS	1.00	5,637.76	03/09/2019	Ayanda Mbanga Communications - Advertising
4GCO	1.00	2,625.00	2019/09/03	4GCO Trading CC- Catering
DYWATI TRADING	1.00	1,949.00	2019/09/03	Dywati Trading - Catering
MELULIKHANYE TRADING	1.00	3,500.00	2019/09/30	Catering-Special Board Meeting
MIJWAKA TRADING	1.00	69,305.00	2019/09/03	Mink-line Consulting
ZOLA SONDLLO AND ASSOCIATES	1.00	9,505.72	2019/09/30	Advertisements-operational tenders
SAPOA	1.00	2,300.00	2019/09/30	Management Symposium
TULIGRAPH	1.00	16,500.00	2019/09/03	Refuse bags
YELLOW DOT OFFICE	1.00	15,466.35	2019/09/03	Yellow Dot Office Supplies - Stationery
UTHO CAPITAL	1.00	61,900.00	2019/09/30	Feasibility Study - Signal Hill
AMENDED RECLINE TRADING	1.00	52,175.00	2019/10/16	Amended Reclines Trading - Refuse Bags
HARVEY WORLD TRAVEL	1.00	84,659.34	2019/10/16	Travel reservations
HARVEY WORLD TRAVEL	1.00	94,965.90	2019/10/31	Harvey - Travelling Reservation
IDLANGAMANDLA SECURITY PROTECTION	1.00	14,835.00	2019/10/31	Idlangamanda - Security Services
AYANDA MBANGA COMMUNICATIONS	1.00	3,320.74	2019/10/16	ADVERT NPO'S
MEDIA MAESTRO	1.00	5,995.00	2019/10/16	Media Maestro-Advertisement for SMME's
GOLDEN OFFICE SUPPLIES	1.00	1,721.53	2019/10/31	Golden - Latimated Acts
TYOSI BUSINESS SOLUTIONS	1.00	29,900.00	2019/10/31	Tyosi- Board Induction
MIJWAKA TRADING	1.00	69,305.00	2019/10/18	Miallocation of a supplier payment
ZOLA SONDLLO AND ASSOCIATES	1.00	5,519.45	2019/10/16	Advert Bid 14, 15 and 15
TISO BLACKSTAR	1.00	3,490.00	2019/10/31	Tiso- Daily Dispatch Subscription
CCG SYSTEMS	1.00	133,116.94	2019/11/05	CCG Systems - License renewal
FALCOLUX SECURITY SOLUTION	1.00	86,186.44	2019/11/18	Falcolux- Security Services
GLOBE MANAGEMENT TRAINING	1.00	9,750.00	2019/11/18	Globe Man.-Business Strategy
HARVEY WORLD TRAVEL	1.00	76,672.97	2019/11/18	Harvey-Travelling Reservation

SUPPLIER NAME	BBBEE LEVEL	AMOUNT	DATE	SERVICE
SAZISA UKHANYO	1.00	6,141.00	2019/11/18	Sizisa Ukhanyo- Office Refreshments
MPC RECRUITMENT	1.00	1,380.00	2019/11/18	MPC Recruitment- MIE Checks
CUROSCAN	1.00	11,100.00	2019/11/18	Curoscan-Food parcels
LM MEDICAL AND SURGICAL SUPPLIES	1.00	2,750.00	2019/11/18	LM Medical and Surgical Supplies
MASALAMAHLE	1.00	3,420.00	2019/11/18	Masalamahle Trading
DYWATI TRADING	1.00	2,136.00	2019/11/18	DYWATI Trading- Catering
AMENDED RECLINE TRADING	1.00	314,250.00	2019/12/13	Amended Reclines -Refuse Bags
CCG SYSTEMS	1.00	3,450.00	2019/12/18	CCG Systems - Running of software
EASTERN ROSE TRADING	1.00	179,100.00	2019/12/13	Eastern Rose Trading - Basic Environmental Awareness Training
GEMIN MOON TRADING	1.00	235,665.36	2019/12/02	Gemin Moon - License fees for Office 365
HARVEY WORLD TRAVEL	1.00	16,038.00	2019/12/02	Harvey World Travel - Transpotation
HARVEY WORLD TRAVEL	1.00	125,747.51	2019/12/03	Harvey World Travel - Travelling
HARVEY WORLD TRAVEL	1.00	431,859.17	2019/12/12	Harvey - Travelling and Acc reservations
HARVEY WORLD TRAVEL	1.00	27,158.66	2019/12/18	Harvel World Travel - Travelling reservations
LIMITLESS STRATEGIC SOLUTION	1.00	99,796.04	2019/12/13	Limitless Strategic Solutions - OHS Training
NALA CONSORTIUM	1.00	983,918.72	2019/12/18	Nala - Court Crescent Project Management Fees
RESS	1.00	21,172.05	2019/12/13	Res Health and Safety - First Aid Training
CHATINO	1.00	8,800.00	2019/12/02	Chatino - Catering
CUROSCAN	1.00	15,862.50	2019/12/12	CUROSCAN- Gift bags and Tags
MAKHUMBU TRADING	1.00	8,800.00	2019/12/02	Makhumbu Trading - Catering
GWATIZOL	1.00	9,500.00	2019/12/02	Gwazitol - Catering
GOBANI HOLDINGS	1.00	9,300.00	2019/12/02	Gobani Holdings - Catering
AZIPHELI ENTERPRISE	1.00	6,500.00	2019/12/02	Azipheli Enterprise - Catering
DUAL DYNAMICS	1.00	19,570.00	2019/12/12	Dual Dynamics-marketing material
NCABAVO GENERAL	1.00	9,000.00	2019/12/02	Ncabavo General Tading - Catering
MEKAN ENGINEERING	1.00	685,544.15	2019/12/18	Mekan - Water World Project Management Fees
SAGGITARIUS	1.00	4,878.30	2019/12/03	Sagittarius - News paperadvertisement
TSHOKS	1.00	990.00	2019/12/12	TSHOKS- Catering Services
CCG SYSTEMS	1.00	19,145.90	2020/01/16	CCG Systems - Performance Management
FALCOLUX SECURITY SOLUTION	1.00	243,296.30	2020/01/30	Falcolux Security - Security Services
GEMIN MOON TRADING	1.00	102,253.40	2020/01/16	Gemini Moon - Office 365
HARVEY WORLD TRAVEL	1.00	29,563.62	2020/01/16	Harvey world Travel - Travel Arrangements
HARVEY WORLD TRAVEL	1.00	67318.11	2020/01/30	Travelling reservations
L DICKS GENERAL TRADING	1.00	77,135.50	2020/01/30	L DIKS- Supply and Delivery
AYANDA MBANGA COMMUNICATIONS	1.00	3,435.74	2020/01/30	Advert - strategic session
MASALAMAHLE	1.00	1,000.00	2020/01/30	Masalamahle Trading - Catering
MITHASA CONSULTING	1.00	47,147.70	2020/01/16	Mithasa Consulting - Consulting Services
MITHASA CONSULTING	1.00	31,431.00	2020/01/30	Mithasa - Strategic planning for board
THUNZI LETHU TRADING	1.00	19,199.00	2020/01/30	AutoCAD
ZOLA SONDLO AND ASSOCIATES	1.00	3,484.50	2020/01/30	Adverts - Laptops
FALCOLUX SECURITY SOLUTION	1.00	243,296.30	2020/02/28	Security services
HARVEY WORLD TRAVEL	1.00	54,106.28	2020/02/28	Harvey world - reservation
LIYABONA FACILITIES MANAGEMENT	1.00	1,650.00	2020/02/28	Catering services
LUNIKA CHARTED ACCOUNTANTS	1.00	86,865.30	2020/02/28	Internal Audit Services
MIHLALI EVENTS	1.00	9,210.00	2020/02/14	Cleaning Materials
MEDIA MAESTRO	1.00	4,800.00	2020/02/28	Media Maestro - Advert SCM
GOBANI HOLDINGS	1.00	362,000.00	2020/02/28	PPE
BARAWAYS	1.00	11,286.50	2020/20/14	Refreshments
MASIBA AND SON TRADING	1.00	25,450.00	2020/02/28	Masiba& Son-Office Relocation Services
ONALISIWE	1.00	28,086.00	2020/02/14	Onalisiwe PTY LTD - Newspaper publication
TSHOKS ENTERPRISE	1.00	2,480.00	2020/02/28	Catering services
WILLOVALLE TYRE TRADING	1.00	4,000.00	2020/02/28	Catering services
HARVEY WORLD TRAVEL	1.00	103,898.86	2020/03/26	Travel reservations
6 Brothers Guarding Solutions	1.00	2,950.00	2020/03/26	Bar Fridge
AMENDED RECLINE TRADING	1.00	506,000.00	2020/03/25	Amended Reclines - Storage Containers
CCG SYSTEMS	1.00	3,400.00	2020/03/13	CCG Systems - Creation of templates
IT Therapy	1.00	8,200.00	2020/03/26	IT Therapy SA-Data for Staff

SUPPLIER NAME	BBBEE LEVEL	AMOUNT	DATE	SERVICE
LUNIKA CHARTERED ACCOUNTANTS AND AUDITORS	1.00	17,254.60	2020/03/26	Internal audit fees
NALA CONSULTING ENGINEERS	1.00	593,944.90	2020/03/26	Nala Consortium-Court Crescent
VARGAFON	1.00	97,980.00	2020/03/13	Vargafon - Development of BCMDA Website
MEDIA MAESTRO	1.00	4,800.00	2020/03/26	Media Maestro- Advert-PA
IMVELISO HOLDINGS	1.00	22,474.32	2020/03/26	Imveliso- Cleaning Materials
THUNZI LETHU TRADING	1.00	1,990.00	2020/03/13	Thunzilethu Trading - Purchasing 40 gig Data
MEKAN ENGINEERING SERVICES	1.00	528,091.16	2020/03/26	Mekan Engineering-Water World
MQAMELO MULTI-SERVICES AND SUPPLIERS	1.00	1,056.00	2020/03/13	Mqamelo Multi Services - Catering
MVUSULUDZO PROJECTS	1.00	4,061,497.68	2020/03/26	Mvusuludzo Projects - Bid 4 of 2019 : Water World Upgrade
FALCOLUX SECURITY SOLUTIONS	1.00	243,296.30	2020/03/26	Falcolux Security Solutions-March 2020
GAUFLORA CC	1.00	3,131,927.37	2020/03/26	Gauflora CC - Bid 3 of 2019 : Court Crescent
Sithathu Funding (Pty) Ltd	1.00	163,566.59	2020/03/13	Sithathu Funding - Rental of Office Space - February and March
Sithathu Funding (Pty) Ltd	1.00	91,219.83	2020/03/26	Sithathu- Rental for Office Space - Apr
SOUTHERN POWER	1.00	6,700.00	2020/03/26	Southern Power- Development of report
SOUTH AFRICAN COUNCIL FOR PLANNERS	1.00	870.00	2020/03/26	South African Council for Planners
TOTAL SPENT ON LEVEL ONE DURING THE QUARTER		17,873,077.14		

BBBEE LEVEL TWO EXPENDITURE				
SUPPLIER NAME	BBBEE LEVEL	AMOUNT	DATE	SERVICE
ADAPT IT	2	121,353.75	2019/07/31	Adapt IT - License Renewal
EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	2	140,256.71	2019/08/02	IDZ - Rental of office space - July - August
PAMOJA ASSET MANAGEMENT	2	186,875.00	2019/09/30	BEC Technical Advisory services
EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	2	165,316.67	2019/09/30	Rental of Office Space and services
AUDITOR GENERAL	2	103,251.60	2019/10/16	Auditor General SA - External Audit Fees
EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	2	80,551.75	2019/10/31	EL IDZ- Rent & Utilities - Office Space
AUDITOR GENERAL	2	11,661.00	2019/11/18	Auditor General SA
PAMOJA ASSET MANAGEMENT	2	96,000.00	2019/11/05	Pamoja Asset Management - Deal negotiation
AUDITOR GENERAL	2	565,229.37	2019/12/13	Auditor General - Audit fees
PAMOJA ASSET MANAGEMENT	2	364,000.00	2019/12/02	Pamoja - technical assistance
EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	2	79,689.96	2019/12/12	ELIDZ-Office Rent for Dec and Utilities
EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	2	78,482.62	2019/12/18	East London IDZ - Rental of office space and utilities
MARSH	2	29,240.63	2019/12/12	Marsch-Insurance for the organisation
AUDITOR GENERAL	2	136,655.65	2020/01/16	Auditor General SA - External Audit Fees
EAST LONDON INDUSTRIAL DEVELOPMENT ZONE	2	20,881.32	2020/01/31	Utilities for January 2020
INSIGHT OFFICE FURNITURE	2	1,370,211.95	2020/03/26	Supply of office furniture
GENBIZ TRADING 1001	2	1,725.00	2020/03/13	Xerox - Relocation of Xerox Printer to BCMDA Esplande
SAB001 - SA Board for People Practices	2	1,930.00	2020/03/26	SABPP-Professional Bodies Fees
TOTAL SPENT ON LEVEL TWO DURING THE QUARTER		3,553,311.98		

BBBEE LEVEL THREE EXPENDITURE				
SUPPLIER NAME	BBBEE LEVEL	AMOUNT	DATE	SERVICE
KONIKA MINOLTA	3	5,997.09	2019/07/16	Konica Minolta - Rental of photocopier
KONIKA MINOLTA	3	14,976.86	2019/08/02	Rental of Photocopier
KONIKA MINOLTA	3	6,102.16	2019/08/15	Rental and Copies of photocopier
KONIKA MINOLTA	3	13,666.70	2019/09/03	Konica Minolta
KONIKA MINOLTA	3	4,546.20	2019/09/30	Rental of Photocopier and Copies
TORQUE TECHNICAL COMPUTER TRAINING	3	30,475.00	2019/09/30	TOGAF Training
KONIKA MINOLTA	3	12,166.22	2019/10/16	Rental fo copier and copies
BUSINESS CONNEXION	3	17,130.42	2019/12/18	Business connexion - Email services
KONIKA MINOLTA	3	7,283.54	2019/12/12	Konica- Rental of photocopier
KONIKA MINOLTA	3	5,264.45	2020/01/16	Konica Minolta - Rental of Photocopier
KONIKA MINOLTA	3	10,440.65	2020/02/28	Konica Minolta - Rental of Photocopier
KONIKA MINOLTA	3	13,467.01	2020/03/13	Rental of Photocopier
TOTAL SPENT ON LEVEL THREE DURING THE QUARTER		141,516.30		

BBBEE LEVEL FOUR EXPENDITURE				
SUPPLIER NAME	BBBEE LEVEL	AMOUNT	DATE	SERVICE
GMR STRATEGIC MANAGEMENT	4	72,000.00	2019/07/16	GMR Strategic Management - Board Evaluation
GREENDOT	4	8,031.60	2019/10/16	Glass Trophy - Board Event
GREENDOT	4	500.41	2019/10/31	Green dot -Visitors Register
YELLOW DOT	4	9,315.00	2019/11/18	Yellow Dot-Stationery
GREENDOT	4	1,888.58	2019/12/18	Green Dot Media - Conference booklet printing
ELITE STATIONERS	4	4,858.00	2020/01/31	Elite Stationers - Storage boxes for rel
ELITE STATIONERS	4	20,171.30	2020/02/28	Office Stationery
TOTAL SPENT ON LEVEL FOUR DURING THE QUARTER		116,764.89		

BBBEE LEVEL SIX EXPENDITURE				
SUPPLIER NAME	BBBEE LEVEL	AMOUNT	DATE	SERVICE
SAICA	6	7,343.98	2020/01/16	SAICA - Professional Fees CFO
TOTAL SPENT ON LEVEL SIX DURING THE QUARTER		7,343.98		


BBBEE LEVEL SEVEN EXPENDITURE				
SUPPLIER NAME	BBBEE LEVEL	AMOUNT	DATE	SERVICE
NELSON MANDELA UNIVERSITY	7	37,500.00	2020/02/28	NMU-Student Fees - G Yawathe
TOTAL SPENT ON LEVEL EIGHT DURING THE QUARTER		37,500.00		

SUMMARY PER BBBEE STATUS LEVEL		
BBBEE STATUS LEVEL	AMOUNT	PERCENTAGE
LEVEL ONE	17,873,077.14	82.25%
LEVEL TWO	3,553,311.98	16.35%
LEVEL THREE	141,516.30	0.65%
LEVEL FOUR	116,764.89	0.54%
LEVEL FIVE	-	0.00%
LEVEL SIX	7,343.98	0.03%
LEVEL SEVEN	37,500.00	0.17%
LEVEL EIGHT	-	0.00%
TOTAL	21,729,514.29	100.00%

9. Conclusion and Recommendation


It is recommended that this report is noted.

PREPARED BY:



V. NTSODO
CHIEF FINANCIAL OFFICER
DATE: 19/05/2020

APPROVED BY:



B. NELANA
CHIEF EXECUTIVE OFFICER
DATE: 20/05/2020

APPENDICES:

1. ANNEXURE C1 – PROCUREMENT PLAN AS AT 31 MARCH 2020
2. ANNEXURE C2 – CONTRACT REGISTER AS AT 31 MARCH 2020
3. ANNEXURE C3 – SCHEDULE OF IRREGULAR EXPENDITURE AS AT 31 MARCH 2020



BCMDA
BUFFALO CITY METROPOLITAN
DEVELOPMENT AGENCY

ASSET MANAGEMENT REPORT
PERIOD 01 JANUARY TO 31 MARCH 2020

1. PURPOSE

To report on the management of the Agency's assets as well as asset register maintenance for the quarter ended 31 March 2020.

2. LEGISLATIVE FRAMEWORK

The Municipal Finance Management Act No. 56 of 2003 (MFMA).

3. BACKGROUND

3.1. Municipal Finance Management Act 56 of 2003 section 96 states that the Accounting Officer of a municipal entity is responsible for the management of the assets of the entity, including the safeguarding and maintenance of those assets and must take all reasonable steps to ensure that the entity has and maintains:

- a) a management, accounting and information system that accounts for proper assets and liabilities of the management systems of the municipal entity; and
- b) a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

3.2. The Municipal Finance Management Act further states that the Accounting Officer is responsible for managing the financial administration of the municipal entity and must for this purpose take all reasonable steps to ensure that the resources of the municipal entity are used effectively, efficiently and economically.

4. EXPOSITION OF FACTS

4.1. Asset Management Reconciliations and Fixed Assets Register

- Reconciliations between the general ledger and the assets register are performed on a monthly basis.
- The asset management module allows for automatically updating of asset additions when asset related transactions are being effected on the financial management system.
- At month end the asset management module is reviewed and system generated depreciation journals are processed from the module to the general ledger.
- A reconciliation is then performed to ensure that the asset register agrees with the general ledger.

- During the period of this report, the monthly reconciliations were performed. The monthly reconciliation for March 2020 was performed in May 2020 due to the national lockdown that was implemented towards the end of March 2020. In each instance, the general ledger reconciled with the asset register module as well as with the manual excel spreadsheet asset register that is used as a further control.

4.2. Physical asset verification

- The last physical verification was performed at the end of December 2019. Due to the national lockdown, the quarter three physical asset verification has not been performed. A physical verification is to be performed when the Agency resumes operations.
- In respect of the last verification:
 - All assets on the floor were traced to the asset register and asset conditions were documented.
 - Generally, the conditions of the assets were found to be good and there were no indications of impairment during the verification.
 - The count was performed by the Finance Intern by visiting all asset locations within BCMDA Offices. The review was performed by the Manager: SCM and Asset Management and the asset register was updated with the asset count results. Asset inventory sheets were countersigned by asset custodians as acknowledgement of and accountability for assets in their control and were placed behind the door in each location.

4.3. Asset Additions

The following are asset additions for the 2019/20 financial year as at 31 March 2020:

Month	Item Description	Category	Amount (Excl. VAT)
November 2019	Office 365 implementation	Intangible Asset	R 204,926.40
January 2020	Office 365 implementation	Intangible Asset	R 88,916.00
January 2020	Performance Management software	Intangible Asset	R 6,500.00
January 2020	Autocad computer software	Intangible Asset	R19 199.00

January 2020	Laptops and accessories	Computer Equipment	R72 975.50
March 2020	Furniture and office equipment for new office premises	Furniture and fittings	R1 194 438.65
March 2020	Website Development	Intangible Asset	85 200.00
Total additions as at 31 March 2020			R1 672 155.55

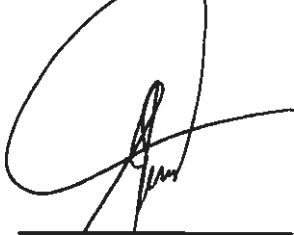
5. FINANCIAL/OTHER IMPLICATIONS

None.

6. RECOMMENDATION

It is hereby recommended that this report is noted and accepted.

PREPARED BY:




V. NTSODO

CHIEF FINANCIAL OFFICER

DATE: 19/05/2020

APPROVED BY:



B. NELANA

CHIEF EXECUTIVE OFFICER

DATE: 20/05/2020