

## REPORT TO THE MSUNDUZI MUNICIPAL COUNCIL

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File Reference:

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Report Number: 3.8.2.1

Designation: Manager: Contract Management and  
Monitoring

CONFIDENTIAL

FOR Consideration

1<sup>st</sup> Level: SMC: (2020)

2<sup>nd</sup> Level: PORTFOLIO COMMITTEE (2020)

3<sup>rd</sup> Level: AUDIT COMMITTEE:

4<sup>th</sup> Level: EXCO (2020)

5<sup>th</sup> Level: COUNCIL (2020)

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**SUBJECT: SUPPLY CHAIN MANAGEMENT:, BLACKLISTING  
POLICIES**

**DATE: 03 MARCH 2020**

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### 1. PURPOSE

- 1.1 The purpose of this report is to obtain the Council's approval and adoption, **Blacklisting and Commitments Policies** In terms of Chapter 8 Section 63 (2) (c) and Chapter 10 Section 96 of the Municipal Finance Management Act, 2003.

### 2. ANNEXURES

- 2.1 Annexure A Msunduzi Municipality Proposed Amendment-  
**Blacklisting Policy**

### 3. LEGISLATIVE PROVISIONS

In terms of Chapter 10 of the Municipal Finance Management Act, 2003 drawing references to section 96 (1)(a);(b) 2(a);(b) & (c) and in terms GRAP 12 as issue by National Treasury

### 4. BACKGROUND

- 4.1. Municipalities must comply with the requirements of the Municipal Finance Management Act, Act 56 of 2003 (MFMA)

4.2. As per Municipal Supply Chain regulation Supply Chain Management Policies must be reviewed annually hence the submission of this report and attachment thereof

**5. COMMENTS FROM THE RELEVANT DEPARTMENT OR COMPONENT OF THE MUNICIPALITY**

5.1 **Blacklisting is been extracted from the Contract Management policy and added as an additional standalone policy**

51.1 The major objectives of the above programme is as follows:

51.1.1 Indicating proper guidelines for defaulting service providers and as an additional policy it makes it easily accessible

**6. IMPLICATIONS**

**6.1 FINANCIAL**

6.1.1 The policy will regulate and provide assistance in terms of Annual Financial Statement Disclosure Requirements

**6.2 LEGAL**

6.2.1 The proposed recommendation falls within the provisions of section 116 of the MFMA and in terms of GRAP 12 as issued by National Treasury

**6.3 COMMUNICATION –**

6.3.1 The policy will be communicated to all relevant stakeholders.

**6.4 COMMUNITY –**

6.4.1 Financial Policies are developed to enhance compliance and improve the implementation of service delivery to communities.

**7. RECOMMENDATION**

It is recommended that:

- 7.1 The proposed Policy be duly approved and adopted In terms of Chapter 8 (2) (c) and Chapter 10 of the Municipal Finance Management Act, 2003 drawing references to section 96 (1) (a) & (b) 2 (a) & (b); (c) and in terms GRAP 12 as issue by National Treasury.

**8. Report Submitted by:**

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