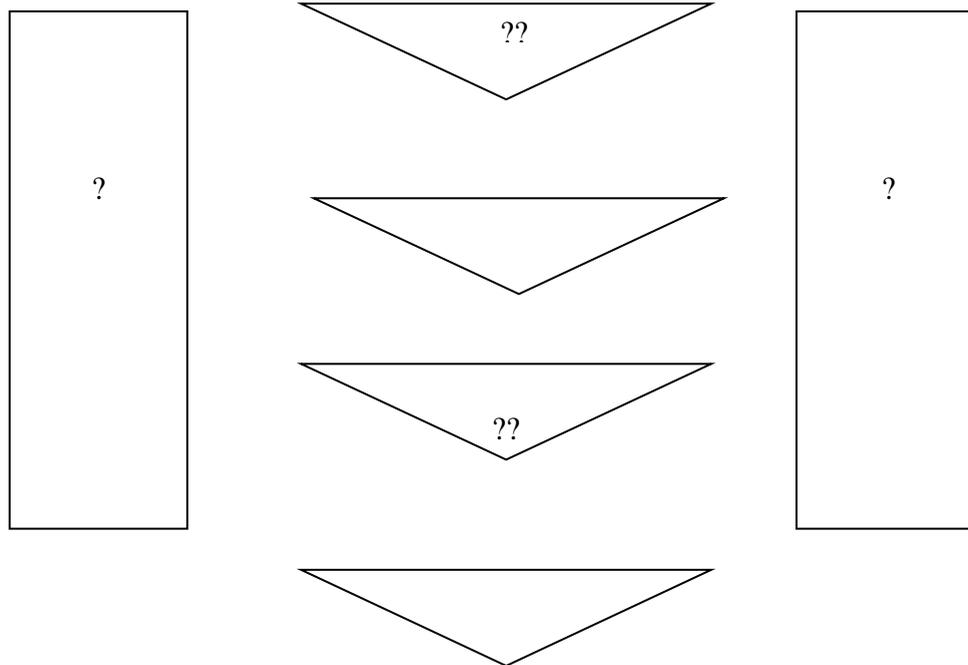


# US 116353 – Individual assessment

**Total marks [100]**

- 1) **Government's Supply Chain Management Model consists of 4 key elements as well as 2 cross cutting management areas. Name these:**



**2) Which of the following is true and which is false? Where false explain your answer:**

		True	False	Correct Answer	✓/X
<b>a</b>	The SCM regulations require SCM units to be established within the relevant CFO structures				
<b>b</b>	The aim of SCM is to add cost at every stage of the SCM process				
<b>c</b>	SA's new SCM model is based on national best practice and allows for quicker and more efficient and effective sourcing of goods and services				
<b>d</b>	Demand management processes include the assessment of the market, industries, as well as potential suppliers of goods and services required by the municipality.				

e	Supply chain management should be aligned to long-term, medium-term and short-term planning of the municipality in order to provide the best solutions.				
f	National Treasury allows municipalities to be more flexible at year end with regard to dispensing with prescribed bidding processes so that they can spend their required budgets before financial year end.				
g	Municipalities should consider the development of strategic alliances with suppliers of 'critical' products and services in order to ensure an efficient, effective and economic implementation of the strategic objectives.				
	<b>Mark</b>				

3 Consider the main components of the Supply Chain Management Model, and match the relevant tasks indicated below to the specific component of the model (demand, acquisition, logistics, and disposal or performance management).

ACTIVITY UNDERTAKEN	RELEVANT COMPONENT	✓ / X
Auction of old office furniture		
Issuing of stock from the store		
Developing specifications for the building of municipal offices		
Preparing your section's Procurement Plan, aligning the operational plan and supply chain requirements to the strategic objectives of the municipality		
Calculating the minimum re-order quantity for road- marking paint		
Reporting monthly on the implementation of supply chain management of the municipality		
Assessing the market for the purchase of transformers required by the electricity department		
Classification of a motor vehicle purchased as per the asset type		
Adjudicating bids received for the purchase of wheeled bins		
<b>Mark</b>		

**4 Match the procurement event with the correct means of acquisition:**

Procurement event	Correct means of acquisition	✓ / x
On the strategic breakaway your printer cartridge runs out. You require a replacement cartridge urgently.		
Purchase of 1000 pre-paid meters for electricity – estimate per meter R2000		
Purchase caps and t-shirts to the value of R29 000 for an HIV/Aids conference.		
Purchase office furniture for 12 new staff. Value per work station R7500.		
The microwave oven in the staff kitchen stopped working. A new one is required.		
Your boss’s laptop “crashed” and the IT section indicates that it cannot be repaired. You are required to urgently purchase a new laptop based on an existing contract awarded to ABC Computers: price for laptop R9500.		
<b>Mark</b>		

**5 Which of the following is true and which is false? Where false explain your answer.**

		True	False	Correct Answer	✓ / X
<b>A</b>	Standardised bid and contract documentation must be utilised by all three spheres of government				
<b>B</b>	Your request for quotations for the purchase of marketing material to the value of R28 000 must be advertised for at least 7 days.				
<b>C</b>	A SARS tax clearance certificate is required for all contracts in excess of R30 000 (VAT inclusive)				
<b>D</b>	Your municipality has a database of suppliers for various types of goods and services. You require the services of an electrician. As a senior manager, you are within your rights to choose three suppliers that you know from the database and to request each of the three to provide you with a quotation.				

E	Goods and services in excess of R200 000 (including VAT) as well as long-term contracts must be procured through a competitive bidding process.				
F	A municipality must allow at least 30 days for the submission of bids in excess of R10 million (VAT inclusive) from the date of advertisement.				
G	Late bids may be accepted under exceptional circumstances, but only on approval of the AO.				
H	The 80/20 preference point formula applies to all contracts below R500 000 (VAT inclusive).				
	<b>Mark</b>				

**6. Which of the following is true and which is false? Where false explain your answer.**

		True	False	Correct Answer	✓ / X
<b>A</b>	Inventory management must find the balance between holding a stock which is large enough to continuously meet the requirements for speedy service delivery and one that is small enough to maintain costs as low as possible.				
<b>B</b>	Stock taking must be undertaken at least once a year after year end.				
<b>C</b>	Storage of goods in the warehouse must take into account municipal, legal and safety regulations in order to reduce risk of damage, deterioration and theft.				

<b>D</b>	The successful implementation of JIT would assist the municipality in reducing the amount of stock held in the warehouse and therefore reduce the holding costs of inventory.				
	<b>Mark</b>				

7. Your CFO has requested you to explain the concept of ABC analysis to the senior managers. This should include a short description of the process, the meaning of the different categories as well as how this could be utilised to enhance supply chain management in the municipality.

ABC		✓ / X								
Explanation of the ABC Analysis										
Describe the process										
Different categories	<table border="1"> <thead> <tr> <th>Category and meaning</th> <th>Utilisation</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Category and meaning	Utilisation							
	Category and meaning	Utilisation								
		Mark								

**8. The following assets have been approved for disposal. Indicate the most suitable form of disposal for each case.**

Assets	Means of Disposal	✓ / X
30 Motor vehicles – average of 7 years old		
Fifteen computers		
Old mismatched desks and chairs		
25 Plots of land		
Old invoice books prior to the amalgamation of municipalities		
	<b>Mark</b>	

**9. Which of the following is true and which is false? Where false explain your answer.**

		True	False	Correct Answer	✓ / X
<b>A</b>	Depreciation is the spreading of the cost over the useful life of an asset.				
<b>B</b>	Obsolescence planning occurs at the end of the life of the asset when one assesses that the asset has reached the end of its useful life.				
<b>C</b>	Departmental Heads are authorised to dispose of assets which they have found to be redundant without any higher approval required.				
<b>D</b>	Immovable assets must be disposed of utilising a method to obtain market-related value i.e. through auctions or competitive bidding process.				
				<b>Mark</b>	

10. Indicate whether the following statements are true or false. Give the correct explanation where you indicated false.

		True	False	Correct Answer	✓ / X
<b>A</b>	Performance management need only be undertaken with regard to the performance of suppliers				
<b>B</b>	Supplier Relationship Management assists organisations to not only ensure that the minimum performance as per the contract is received, but also that a win-win relationship is established between the organisation and the supplier, especially with longer-term contracts.				
<b>C</b>	Monthly reporting is required by National Treasury for all contracts above the value of R200 000 (Vat incl.) within 30 days of the end of each month.				
				<b>Mark</b>	