



**MUNISIPALITEIT - MUNICIPALITY - UMASIPALA-WASE
BEAUFORT-WES/BEAUFORT WEST/BHOBHOFOLO**

KANTOOR VAN DIE DIREKTEUR: FINANSIËLE DIENSTE

OFFICE OF THE DIRECTOR: FINANCIAL SERVICES

Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/Kindy address all correspondence to the Municipal Manager/Yonke Imbaletwano mayihunyetwe kuMlawuli kaMasipala

Verwysing
Reference
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BHOBHOFOLO
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Datum
Date
Umhla

2021.04.10

MEMORANDUM TO THE MUNICIPAL MANAGER

**SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 3rd QUARTER- 01 JANUARY
TILL 31 MARCH 2022**

1. EXECUTIVE SUMMARY

In terms of paragraph 6.3 of Council's Supply Chain Management Policy, the Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.

2. QUOTATION REPORT

In the terms of the Municipal Supply Chain Management Regulation 16(c) and 17(1)(c): (1) the supply chain management policy must stipulate the conditions for the procurement of goods or services through formal written price quotations, which must include conditions stating-

- (c) that if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, see **Annexure A** for details.

3. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members or persons in the service of the state, above R2 000, should be disclosed in the notes to the Annual Financial Statements. During the 2021/2022 financial year awards amounting to R 6,300.00 were made by the municipality to people whose close family members are in the service of the state, see **Annexure B** for details.

4. MONTHLY REPORT ON DEVIATIONS AND MINOR BREACHES

The Supply Chain Management Policy states in Paragraph 10.3.1: "The accounting officer may dispense with the official procurement processes established by this policy and may procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (a) Emergency;
- (b) Sole supplier;
- (d)(i) Any contract relating to the publication of notice and advertisements by the municipality;
- (d)(iii) any contract with an organ of state, a local authority or a public utility corporation or company

There were **23** deviations approved by the Accounting Officer during the quarter ending 31 March 2022. The total amount of these deviations was **R 309,812.37**, see **Annexure C** for details.

5. SITTING OF BID COMMITTEES FOR THE QUARTER

The department is in charge of monitoring the meetings of SCM Committees. The bid specification committee did not meet as scheduled during the quarter, with seven meetings held and two meetings reconvened, as determined by the Bid Adjudication Committee. The committee was supposed to sit for five meetings that needed to be rescheduled and only managed to sit for two, namely: supply and delivery of ICT hardware and software, as well as the procurement of travel and accommodation agency services for a three-year period. The other three tenders that have not been attended to are as follows: Private Hospital, Truck Stop and Flisp Housing.

The Bid Evaluation Committee set for two bids as reconvened by the BAC, namely: lease full maintenance fleet and provision of strategic revenue investigations on various revenue streams, the bid evaluation committee reconvened. The committee met nine times during the quarter to consider eight bids that they have since concluded.

The bid adjudication committee met once this quarter as the municipality struggled to find a fourth Director because the Acting Director: Community Services was acting as a Municipal Manager. The fourth Director was requested from Garden Route District Municipality. Nine tenders were considered and only two appointments were recommended as the committee had to cancel other tenders for re-advert, see **Annexure F** for details.

6. AWARDS OF COMPETITIVE BIDS AND FORMAL QUOTATIONS IN TERMS OF SUB-DELEGATIONS

In terms of Section 5(3), an official or bid adjudication committee to which the power to make final awards has been sub-delegated must within five days of the end of each month submit to the accounting officer a written report containing particulars of each final award made by such official or committee during that month.

The Municipal Manager has sub-delegated the power to award Competitive Bids to the Bid Adjudication Committee and Formal Written Price Quotations to the Heads of Departments. The Awards made in terms of these sub-delegations and the formal quotations amount to **R 3,722,084.18** and the details of these awards are attached as **Annexure D**.

Description	Amount	Percentage
Awards made to local Suppliers	R -	0.00%
Awards made to suppliers outside BW but within the province	R 3 722 084.18	100.00%
Awards made to suppliers outside the province	R -	0.00%

7. IRREGULAR EXPENDITURE

In terms of section 1 of the MFMA Circular No 68, Irregular expenditure is defined in section 1 of the MFMA as follows:

"Irregular expenditure", in relation to a municipality or municipal entity, means—

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (e) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure".

During the quarter under review the municipality incurred irregular expenditure amounting to **R1,218,397.64** as a result of contracts that were used though they have already expired, see Annexure E for details.

8. PERFORMANCE OF SERVICE PROVIDERS

In terms of the section 116(2)(b) of the MFMA, the accounting officer of a municipality or municipal entity must-

- (a) take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- (b) monitor on a monthly basis the performance of the contractor under the contract or agreement;
- (c) establish capacity in the administration of the municipality or municipal entity—
- (i) to assist the accounting officer in carrying out the duties set out in paragraphs (a) and (b); and

(ii) to oversee the day-to-day management of the contract or agreement; and

(d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contractor.

Chalmers

Prepared by: Mrs. C.A Chalmers
Chief Clerk: Supply Chain Management

Ntsangani
Reviewed: Ms. N. Ntsangani
Director: Financial Services

14/04/2022

SCM REG 16 REPORT FOR QUARTER 3

ANNEXURE A

REASONS FOR NOT OBTAINING 3 QUOTES

Date	Description	Quotes received	Amount	Reason
17/01/2022	Accommodation 18-19 January 2022 SALGA WC Conference	Lithaba basadi Investments (Premier express Inn George)	R5 781,04	Verbal and written quotations were requested from suppliers, accommodation to attend SALGA WC Conference in George. No suppliers were registered on CSD. Suppliers were registered on CSD, and suppliers had no available rooms for requested. A booking agency that is registered on CSD was used to make the booking.
			R6 509,36	
			R3 480,00	
04/02/2022	Brown Correspondence files	Bowles printers	R4 104,00	Bowles printers is the cheapest and Courier Printing is the 2nd quote. We requested quotations from Bidvest Waltons with no response, please see email attached.
		Courier Printing	R5 194,95	
		Bidvest Waltons	No Quote email attached)	
15/02/2022	Accommodation LGSETA meeting Eden District Municipality 16-18 February 2022	Lithaba basadi Investments (Premier Express Inn)	R2 890,00	A booking agency was used to make the booking and was also registered on Csd to be used. Further quotations were requested as well, all accommodation was fully booked, please see email attached
		Outeniqua Inn	No Quote email attached)	
		Antiqua Guest House	No quote email attached)	
28/02/2022	Adverts Vaccancy	Die Courier	R3 229,20	Die Courier is the local newspaper circulating in Central District for publications of notices and advertisements by section 21 of the systems act to community
		Media 24	No response	
28/02/2022	Adverts Vaccancy	Die Courier	R2 980,00	Die Courier is the local newspaper circulating in Central District for publications of notices and advertisements by section 21 of the systems act to community
		Media 24	No response	
28/02/2022	Adverts Vaccancy	Die Courier	R2 856,60	Die Courier is the local newspaper circulating in Central District for publications of notices and advertisements by section 21 of the systems act to community
		Media 24	No response	
28/02/2022	Adverts/Vaccancy	Die Courier	R3 105,00	Die Courier is the local newspaper circulating in Central District for publications of notices and advertisements by section 21 of the systems act to community
		Media 24	No response	
08/03/2022	Adverts	Die Courier	R2 898,00	Die Courier is the only local newspaper circulating in the Central District/karoo for publications of notices and advertisements as stipulated by section 21 of the system act to community.
		Media 24	No response	

SCM REG 17 REPORT FOR QUARTER 3

REASONS FOR NOT OBTAINING 3 QUOTES

Date	Description	Quotes received	Amount	Reason
19/01/2022	Safety inspection and load testing Electrical dept.B/West	Hoistec Engineering	R18 498,60	Hoistec Engineering and forklift safety testing cc are the only two suppliers that have submitted quotation, BB cranes did not respond to our request for quotations. Due to the urgency of work that needs to be done, Hoistec engineering is the successful supplier.
		Load Mass Crane Services CC	R8 950,00	
		Crane Builders and repairs	No response Email attached	
04/02/2022	3 X Hydraulic oil	Beaufort West midas	R27 240,00	Donkin Country House is the cheapest and Beaufort Manor is the 2nd quote, We requested quotation from La Paix Beaufort West with no response, please see email attached.
		Kingpin Suppliers	R27 393,00	
		Additional suppliers	No quote Email attached	
04/02/2022	Presiding Officer for Disciplinary hearing of Senior Manager	Mcaciso Stanfield Inc.	R14 400,00	We requested quotations for presiding Officer, Mcaciso Stanfield is the only supplier who quoted on the request that includes all services required and is registered on CSD.
		D.P Bezuidenhout Attorneys Inc.	8000(all services not included in quote	
		Michelle Dommise & Associates	No quote Email attached	
01/03/2022	Hygiene Supplies	Kingpin Suppliers	R12 494,75	Kingpin Supplies and Manewes Projects are the only suppliers who quoted immediately as this was an urgent matter, Bidvest Waltons were not able to quote, Kingpin suppliers is the cheapest
		Manewes Projects	R20 325,33	
		Bidvest Waltons	No quote Email attached	
08/03/2022	Accommodation 06-18 March 2022 Stellenbosch University Training	Lilhaba Basadi Investments	R20 910,75	Verbal & written quotations were requested from suppliers, accommodation to attend SALGA WC Conference, in George. No suppliers were registered on CSD, and suppliers had no available rooms for requested. A booking agent that is registered on CSD was used to make the booking.
		5 Seasons Guesthouse	No quote Email attached	
		Evergeen	No quote Email attached	

BEAUFORT WEST MUNICIPALITY

AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE 3RD QUARTER JAN TO 31 MAR 2022 ANNEXURE B

Business	Date	Invoice	Amount	Interest
Avril Catering	17/03/2022	ORD7431	R 2 975,00	Son is employed at the Department of Agri Cultural and daughter at Department of Social Development
	17/03/2022	ORD7438	R 3 325,00	
Total			R 6 300,00	

BEAUFORT WEST MUNICIPALITY						
BEAUFORT WEST MUNICIPALITY						
DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR THE 3RD QUARTER - 01 JANUARY TILL 31 MARCH 2022						
ANNEXURE C						
APPLICABLE PARAGRAPH IN SCM	SUPPLIERS	AMOUNT	DATE	REFERENCE	DIRECTORATE	REASON FOR DEVIATION
(a)	Emergency	R 7 201 02	17/03/2022	ORD7436	C. Wright	The purpose of this submission is to seek approval for an emergency procurement related to installation of an alarm in Leon Eksteen Substation. Leon Eksteen is one of the main substations, supplying a large portion of Beaufort West with electricity. It has been vandalized and earthing to an approximate value of R 10 000, has been stolen. An alarm system needs to be installed to avoid further vandalism and theft that will result in a large area of the town being without electricity supply. Alarm system needs to be installed as soon as possible to protect the assets of the municipality.
	Total Computer Services	R 49 500,00	08/03/2022	ORD7412	G. Nyathi	The purpose of this submission is to seek approval for a deviation to purchase Local Traffic Contravention Management System (LTCMS) software. The municipality's services provider, TVS, cancelled their contract with the municipality. The municipality does not have its own LTCMS. The municipality engaged the Department of Transport and Public Works to assist with a LTCMS. The province use TCS Software and agreed to pay their service provider additional TCS licences to the municipality at the Department's cost. The municipality requires its own LTCMS for fines and court process. The TCS system allows the municipality to directly copy/import all Provincial Traffic fines directly onto the municipality's system. This also has a massive cost saving for the municipality as the Department will pay the licence fees for the next 18 months, a total saving of around R 265 000 for the municipality. The municipality's own TCMS will greatly assist the municipality with its financial reporting. It is thus recommended that the municipality proceed with obtaining its own LTCMS.
(d)	Any other exceptional case where it is impractical or impossible to follow the official procurement processes, including:	R 12 414,50	18/03/2022	ORD7445	N. Ntsangani	The purpose of this submission is to seek approval for a deviation for PPE (Personal Protection Equipment) that was ordered for Community Services Department. Order were placed with BlackBird CC Trading after bidder (Aludar Holdings) missed their date. The services provider has delivered the PPE as set out on the purchase order.
		R 19 963,90	07/03/2022	Voucher no. 15/11140	AC Makendiana	The purpose of this submission is to seek approval for a deviation for procuring of newspapers that was ordered for Beaufort West Public Libraries during the last financial year 2020/2021 and the current financial year 2021/2022. Newspapers in the library are meant for the public to read news, looking for jobs and for students to do searches for school projects. According to the regulations the library need to have newspapers for the public. Library Service always use Good Hope Café in order to acquire newspapers as other suppliers like OK Foods, Checkers and Shoprite not willing to assist the municipality. Requisition number 7387 was loaded on the system on the 18 November 2021 and approved on the 18 November 2021. The services provider has rendered the services as expected and should be paid for the service delivered. The supplier needed to be paid urgently and they only registered on the Municipality database in June 2021. Payment requested for the service provider.
(d)(i)	Any contract relating to the publication of notice and advertisements by the municipality	R 54 855,00	28/01/2022	ORD7308	AC Makendiana	The purpose of this submission is to seek approval for a deviation for national advertising services that is needed for the advertisement of the vacancy, Director Community Services which is a critical position and must be filled urgently as per council resolution at 24 December 2021. Quotations was requested on 14 January 2022 for the advertisement of vacancy Director Community Services through Supply Chain Management section and the following was received from Media 24 for the amount of R54,855.00. Media24 is the only relevant services provider of the services requested for this advertisement. It was resolved at a special council meeting held on 20 December 2021 that the vacancy be advertised as soon as possible. The advert and quotation be approved for publish on the weekend of 28 January 2022.
		R 3 105,00	01/03/2022	ORD7386		
		R 2 858,00	01/03/2022	ORD7387		
		R 2 980,80	01/03/2022	ORD7388		
		R 3 229,20	01/03/2022	ORD7390		
		R 9 717,00	16/02/2022	15/10397		
	Any contract with an organ of					Local Newspaper circulating in Central Karoo for publication of notices.

(d)(ii)	Driving Licence Card Account	R	16/02/2022	15/10998	G. Nyathi	Driving Licence cards account(DLCA)is the only company that have a contract with the Department of transport
		R	16/02/2022	15/10998		
		R	16/02/2022	15/10999		
		R	16/02/2022	15/11000		
		R	16/02/2022	15/11001		
		R	16/03/2022	15/11237		
		R	01/02/2022	15/10838		
		R	01/02/2022	15/10839		
		R	01/02/2022	15/10840		
(d)(v)	Crawford Attorneys	R	24/02/2022	15/11076	AC Makendiana	Local official law practitioner handling legal matters and the valuations of even
		R	11/03/2022	15/11172		
		R	16/03/2022	15/11234		
		R		Voucher: 11307	D. Van Turha	The purpose of this submission is to seek approval for a deviation for the repairs of Cherry Picker with registration CZ 15919. The Cherry Picker was send for repairs by Robert Summers (Fleet Manager) to Kries Hydraulics CC for repairs, but have outstanding amounts. The Service provider (Kries Hydraulics) has delivered the service that was requested by the
		R	24/03/2022			
(d)(vi)	Kries Hydraulics	R	24/03/2022	Voucher: 11308	D. Van Turha	The purpose of this submission is to seek approval for a deviation for the repairs of Cherry Picker with registration CZ 4930. Cherry Picker was send for repairs by Robert Summers (Fleet Manager) to Kries Hydraulics CC for repairs, but have outstanding amounts. The service provider (Kries Hydraulics) has delivered the service that was requested by the municipality and request the outstanding amount that is owed. Payment requested for the service provider.

TOTAL QUANTITY DEVIATION	R	309 812,37
TOTAL AMOUNT OF DEVIATIONS		23

BEAUFORT WEST MUNICIPALITY

FORMAL QUOTATIONS AND TENDERS AWARDED FOR THE 3RD QUARTER 01 JAN TO 31 MAR 2022

ANNEXURE D

Bid #	Item	Awarded to	Bid Amount	BBBEE Level	Award by
SCM 07/2021	Professional Services: Electrical Services	CVW Consulting Engineers Pty Ltd	R 1 169 713,92	1	Bid Adjudication Committee
SCM16/2022	Contract for the high mast, sport field and street lighting projects and maintenance on behalf of Beaufort West Municipality for a period of 3 years	VE Refcultation (Pty) Ltd	R 2 552 370,26	1	Bid Adjudication Committee

TOTAL			R	3 722 084,18
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Description	Amount	Percentage
Awards made to local Suppliers	R -	0,00%
Awards made to suppliers outside BW but within the province	R 3 722 084,18	100,00%
Awards made to suppliers outside the province	R -	0,00%

ANNEXURE E						
Irregular Contracts from 01 January until 31 March 2022						
SCM number	Bid description	Contract Manager	Contract Start date	Contract Completion date	Bidder	Expenditure from 01 January until 31 March 2022
SCM 15/2016	Full maintenance fleet: Vehicles	Director: Infrastructure Services	01/06/2021	01/05/2019	Bidvest/Esstra fleet	R 348 599,87
SCM 10/2018	Digging of graves: Beaufort West Graveyard	Manager: Technical Services	15/01/2018	15/01/2021	Q & K Projects	R 78 443,00
SCM 14/2018	Water Testing Services	Manager: Technical Services	18/10/2018	30/06/2021	A. L. Abbott	R 66 274,50
SCM 18/2019	Supply, delivery, installation, maintenance, and financing of office automation equipment for a 3 year period	Mr. A. C. Makendiana	6/06/2019	06/06/2022	Ricoch Garden Route	R 343 969,71
SCM 15/2020	Three-year maintenance and upgrade tender of mechanical and electrical installations: boreholes, pump stations and buildings	Manager: Technical Services	18/02/2020	18/01/2023	TG Elektriks	R 260 204,46
Sundry/Order Payments	Provision of legal services	Mr. A. C. Makendiana			Crawford Attorneys	R 120 906,10
TOTAL						R 1 218 397,64

Contract expired. Leases month to month

Contract expired. Contract expired.

Contract expired. Identified as irregular contract not in place

Identified as irregular previously by AG. New contract not in place

Identified as irregular previously by AG

There is no tender with the service provider

MEETINGS SCHEDULED FOR THE THREE SCM COMMITTEES DURING THE QUARTER

Bid Specification Committee	January 2022	February 2022	March 2022
SCM 27/2022 Supply, Installation and maintenance of a new telecommunication system for a period 3 years		02/02	
SCM 21/2022 Supply and Delivery of Magazine and Newspapers for Beaufort West Municipality's Library services for a period of 3 years		23/02	
SCM 29/2022 Supply, delivery, maintenance and servicing of fire protection and firefighting equipment for a period of 3 years			09/03
SCM 01/2022 Supply and delivery of ICT hardware and software			07/03
SCM 23/2022 Maintenance of libraries (mimosa, Kwa Mandlenkosi, Church Street)			18/03
SCM 19/2022 Procurement of travel and accommodation agency services for a period of 3 years			18/03
SCM 24/2022 Land surveying services			30/03

Bid Evaluation Committee	January 2022	February 2022	March 2022
SCM 15/2022 Support and maintenance of Beaufort West Municipality's IT equipment and systems for a 3-year period: 1 July 2022 – 30 June 2025 [Effective from July 2022]"	13/01		
SCM 16/2022 Contract for the high mast, sport field and lighting projects and maintenance on behalf of Beaufort West Municipality for a period of 3 years"		03/02	
SCM 19/2022 Procurement of travel and accommodation agency services for a period of three years"		09/02	
SCM 14/2022 Provision of comprehensive banking services for a period of 01 July 2022- 30 June 2027 (5 year)		11/02	
SCM 04/2022 Lease full maintenance fleet		18/02	02/03
SCM 09/2022 Sale of land: Portion of erf 1050 Beaufort West for the development of a private hospital		18/02	
SCM 10/2022 Request for proposals for the development of truck stop accommodation erf 7409 Beaufort West		18/02	

Bid Adjudication Committee	January 2022	February 2022	March 2022
SCM 15/2022 Support and maintenance of Beaufort West Municipality's IT equipment and systems for a 3-year period: 1 July 2022 – 30 June 2025 [Effective from July 2022]"		23/02	
SCM 16/2022 Contract for the high mast, sport field and lighting projects and maintenance on behalf of Beaufort West Municipality for a period of 3 years"		23/02	
SCM 19/2022 Procurement of travel and accommodation agency services for a period of three years"		23/02	
SCM 14/2022 Provision of comprehensive banking services for a period of 01 July 2022-30 June 2027 (5 year)		23/02	
SCM 04/2022 Lease full maintenance fleet		23/02	
SCM 05/2022 The repairs of fire damage houses		23/02	
SCM 06/2022 Reparation of damage roofs		23/02	
SCM 09/2022 Sale of land: Portion of erf 1050 Beaufort West for the development of a private hospital		23/02	
SCM 10/2022 Request for proposals for the development of truck stop accommodation erf 7409 Beaufort West		23/02	