



**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/Kindly address all correspondence to the Municipal Manager/Yonke imbalelwano mayithunyelwe kuMlawuli kaMasipala

Verwysing  
Reference  
Isalathiso

6/1/1/1

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BHOBHOFOLO  
6970

Datum  
Date  
Umhla

2021.01.10

**MEMORANDUM TO THE MUNICIPAL MANAGER**

**SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 2<sup>nd</sup> QUARTER- 01 OCTOBER  
TILL 31 DECEMBER 2021**

**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. 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 2,125.00** were made by the municipality to people whose close family members are in the service of the state, see **Annexure B** for details.

**3. 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 08 deviations approved by the Accounting Officer during the quarter ending 30 September 2021. The total amount of these deviations was R 295,583.20, see **Annexure C** for details.

**4. SITTING OF BID COMMITTEES FOR THE QUARTER**

The department is charged with the monitoring of sitting of SCM Committees. During the quarter the bid specification committee did not sit as planned, there were 6 meetings held during the quarter. Four meetings that were planned for the quarter did occur for the panel of attorneys, two library tenders; land surveying services and will only be dealt with in quarter 3. The bid evaluation committee set There were two meetings held by the bid adjudication committee as the municipality during this quarter was struggling to find the fourth Director as there was no acting Director at Community Services department, see **Annexure F** for details.

**5. 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 138,955.19 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-	0.00%
Awards made to suppliers outside the province	±R 138 955.19	77.52%

**6. 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 **R651,304** as a result of contracts that were used though they have already expired, see **Annexure E** for details.

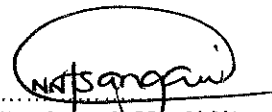
## 7. PERFORMANCE OF SERVICE PROVIDERS

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.



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



Reviewed: Ms. N Ntsangani  
Director: Financial Services

**BEAUFORT WEST MUNICIPALITY**

**Annexure B- AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE 2ND QUARTER - 01 OCTOBER TILL 31 DECEMBER 2021**

<b>Business</b>	<b>Date</b>	<b>Invoice</b>	<b>Amount</b>	<b>Interest</b>
Avril Catering	02/12/2021	ORD7227	R 2 125.00	Son is employed at the Department of Agri Cultural and daughter at Department of Social Development

**Total**

R 2 125.00

BEAUFORT WEST MUNICIPALITY						
ANNEXURE C - DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR THE 2ND QUARTER - 01 OCTOBER UNTIL 31 DECEMBER 2021						
APPLICABLE PARAGRAPH IN SCM	SUPPLIERS	AMOUNT	DATE	REFERENCE	DIRECTORATE	REASON FOR DEVIATION
(b)	Sole supplier	R 17 813.50	05/10/2021	ORD7042	N. Ntsangani	The purpose of this submission is to seek approval for an emergency procurement related to inventory- enermet ripple control, inventory needed for Electrical Department- R03 Ripple Control Receiver Relays, 1X40A switch. Farad is the importer of Ladis+Gyr products for Ripple Control into Southern countries.
(d)	Any other exceptional case where it is impractical or impossible to follow the official procurement processes, including:	R 5 451.00	03/12/2021	ORD7236	AC Makendiana	The purpose of this submission is to seek approval for an emergency procurement related to the repair of Ricoh copier, Model Number MPC 8002 SP. Beaufort West Municipality awarded a tender to Ricoh Garden for the supply and installation on photocopier for a term of 3 year. Subsequently a master agreement was signed with Ricoh. The master agreement agreement per clause 5.2(ii) exclude maintenance caused by misuse. The feeder belt of the MPC 8002 photocopier was damaged, through suspected misuse and needs to be replaced in order to be fully operational. Due to the fact that Ricoh Garden Route is the current service provider, it is impractical to request any other service provider for a quotation to repair the MPC 8002 copier due to the fact that other service providers in this field are not allowed to perform maintenance and repairs on copiers supplied by Ricoh Garden Route. The only service provider allowed to repair the MPC 8002 photocopier is Ricoh Garden Route. Current Supply Chain Management Policy allows for deviation whilst the Master Agreement with Ricoh Garden Route does not allow for other service providers to perform repair and maintenance on photocopiers.
(d)(i)	Any contract relating to the publication of notice and advertisements by the municipality	R 5 464.80	05/10/2021	ORD7038	AC Makendiana	Local Newspaper circulating in Central Karoo for publication of notices.
		R 2 656.50	05/10/2021	ORD7040		
		R 2 428.80	13/10/2021	ORD7063		
		R 2 201.10	27/10/2021	ORD7092		
		R 3 111.90	08/11/2021	ORD7132		
		R 3 036.00	09/11/2021	ORD7134		
		R 4 478.10	09/11/2021	ORD7135		
(d)(vi)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	R 33 000.00	13/12/2021	REF: MA/kb/WB1930	AC Makendiana	Local official law practitioner handling legal matters and the valuations of erven
		R 198 806.30	15/12/2021	WP0811		
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work of the required in order to call for bids	R 17 135.20	05/10/2021	ORD7044	N. Ntsangani	The purpose of this submission is to seek approval for a division for the annual calibration of the Vehicle Testing Station equipment in Beaufort West. It is a legal requirement in terms of the National Road Traffic Act that all equipment must be calibrated annually. Proof of calibration must be produced to the Provincial Inspectorate as well as SANS representative when audits are being conducted. Failure to comply with this requirement will lead to closure of the VTS and means that people have to travel to surrounding towns for this service. The current electronic control and display equipment is Millitron that was provide and installed by Workshop Electronics as sole provider Millitron equipment. There are other service providers able to calibrate the other equipment but this will lead to additional expenses for the municipality especially with regard to travelling and accommodation cost. Calibration required to open and operate VTS as per National Traffic Act, 93/1996 requirements.

TOTAL QUANTITY DEVIATION R 295 583.20  
TOTAL AMOUNT OF DEVIATIONS 12

SITTING OF BID COMMITTEES AS AT 31 DECEMBER 2021      ANNEXURE F

**MEETINGS SCHEDULED FOR THE THREE SCM COMMITTEES DURING THE QUARTER**

Bid Specification Committee	October 2021	November 2021	December 2021
13/2022 Revenue Enhancement	04/10		
15/2022 IT Equipment	15/10		
16/2022 Highmast Lighting	22/10		
18/2022 Tyres		11/11	
19/2022 Travel Agent		18/11	

Bid Evaluation Committee	October 2021	November 2021	December 2021
07/2022 Professional Services Electrical	26/10		
09/2022 Private Hospital	09/10		
10/2022 Truck Stop	09/10		
01/2022 ICT Equipment			10/12

Bid Adjudication Committee	October 2021	November 2021	December 2021
10 Items to consider for 2021	06/10		
01/2022; 07/2022; 09/2022 & 10/2022			14/12

Bid Adjudication Committee	July 2021	August 2021	September 2021
23/2021; 41/2021; 37/2021; 13/2021 & 38/201	15/07		
22/2021; 39/2021 & 24/201	28/07		
37/2021		24/08	

BEAUFORT WEST MUNICIPALITY

ANNEXURE D-FORMAL QUOTATIONS AND TENDERS AWARDED FOR THE 2ND QUARTER - 01 OCTOBER UNTIL 31 DECEMBER 2021

Bid #	Item	Awarded to	Bid Amount	BBBEE Level	Award by
QUOTATION NO SCM: 22/2022	Supply and delivery of the renewal of software licenses	Datategra (Pty) Ltd	R 138 955.19	1	Chief Financial Officer

TOTAL  
R 138 955.19

Description	Amount	Percentage
Awards made to local Suppliers	R -	0.00%
Awards made to suppliers outside BW but within the province	R -	0.00%
Awards made to suppliers outside the province	R 138 955.19	100.00%



ANNEXURE F						
Irregular Expenditure from 01 October until 31 December 2021						
SCM number	Bid description	Contract Manager	Contract Start date	Contract Completion date	Bidder	Quarter 1 Expenditure from 01 October until 31 December 2021
SCM 14/2018	Appointment of accredited service provider to perform potable water and final effluent analysis for period of 3 years	Manager: Technical Services	18/10/2018	30/06/2021	AL Abbott	R 13 754.00
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	Ricoh Garden Route	R 244 398.20
SCM 16/2020	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 Elektrics	R 163 867.90
SCM 15/2016	Full maintenance fleet: Vehicles	Director: Infrastructure Services	01/06/2021	01/05/2019	Bidvest/Esqstra fleet	R 229 288.75
<b>TOTAL</b>						<b>R 651 308.85</b>

Identified as irregular previously by AG

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

Identified as irregular previously by AG

Contract expired. Leases month to month