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**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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Datum  
Date  
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2021.10.08



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**MEMORANDUM TO THE MUNICIPAL MANAGER****SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 1<sup>st</sup> QUARTER- 01 JULY TILL 31 SEPTEMBER 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 **R2,849.99** 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 **R96,940.96**, see **Annexure C** for details.

SYKULASIE	OPDRAG
sc: Fin Serv: 24/02/22 Item 10	

**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 set as planned and there were 9 meetings held during the quarter. The bid evaluation committee set six times during the quarter, as SCM staff struggles with the user departments for the sitting of committees. The bid adjudication committee set three times to address the backlog in prior year tenders that needed the BAC attention. There was no sitting in September as there were no items to consider, 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 **R27,538,579.57** 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 6 191 494.77	22.48%
Awards made to suppliers outside the province	±R 21 347 084.80	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 **R2,6 million** as a result of contract 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.

*Chalmers*

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

*Ntsangani*

Approved by: Mrs. N Ntsangani  
Director: Financial Services

**ANNEXURE B**

**BEAUFORT WEST MUNICIPALITY**

**Annexure B- AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE 1ST QUARTER - 01 JULY TILL 31 SEPTEMBER 2021**

<b>Business</b>	<b>Date</b>	<b>Invoice</b>	<b>Amount</b>	<b>Interest</b>
Avril Catering	22/09/2021	ORD7018	R 2 849.99	Son is employed at the Department of Agri cultural and daughter at Department of Correctional Services
<b>Total</b>			<b>R 2 849.99</b>	

ANNEXURE C

BEAUFORT WEST MUNICIPALITY						
ANNEXURE C - DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR THE 1ST QUARTER - 01 JULY UNTIL 31 SEPTEMBER 2021						
APPLICABLE PARAGRAPH IN SCM	SUPPLIERS	AMOUNT	DATE	REFERENCE	DIRECTORATE	REASON FOR DEVIATION
(a) Emergency	Divine Inspiration Trading 352 t/a DTM George	R 4 257.86	23/07/2021	ORD6825	D Van Turha	The vehicle don't have a spare key and the current key in not working well. DTM Nissan-George is the only Provider that can provide the municipality with a new key. The key is worn and make it impossible for the driver to drive the car.
(b) Sole supplier	Office Technology Brokers	R 3 887.00	18/09/2020	ORD6975	N. Ntsangani	The purpose of this submission is to seek approval for an emergency procurement related to sole supplier of franking machine cartridge from Office Technology Brokers. The municipality rents the machine from the Office Technology Brokers and insists that only sealed cartridge may be inserted from their workshop. They are the only company that can supply the municipality with this kind of cartridges.
(d)(i) Any contract relating to the publication of notice and advertisements by the municipality	Media 24	R 48 272.40	09/07/2021	ORD6782	AC Makendilana	The purpose of this submission is to seek approval for an emergency procurement related to the advertisement of a vacancy in media 24 national newspaper. The municipality does not have a contract with media 24 and they are only supplier that can advertise both in Afrikaans and English.
	Die Courier	R 2 504.70	16/07/2021	ORD6804		Die Courier is the only Local Newspaper circulating in Central Karoo for publication of notices.
		R 2 808.30	22/09/2021	ORD7016		
(d)(iii) Any contract with an organ of state, a local authority or a public utility corporation or company	Driving Licence Card Account	R 10 191.00	16/08/2021	IN059405	D Van Turha	Department of Transport has contract with Driving Licence Card Manufacturer The cards can only be procured through the department of Transport.
		R 22 515.00	20/09/2021	IN058841,   IN059023		

TOTAL AMOUNT OF DEVIATIONS R 96 940.96

TOTAL NUMBER OF DEVIATIONS 8

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

Bid Specification Committee	July 2021	August 2021	September 2021
01/2022 ICT		17/08	
04/2022 Fleet Maintenance		04/08	
05/2022 Fire Damaged Houses		05/08	
06/2022 Repairation Damaged Roofs		05/08	
07/2022 Professional Services Electrical	27/07		
09/2022 Private Hospital		16/08	
10/2022 Truck Stop		16/08	
11/2022 Flisp Housing		19/08	
14/2022 Provision of Banking Services			22/09

Bid Evaluation Committee	July 2021	August 2021	September 2021
33/2021 Recruitment and Selection of Snr Managers	08/07		
37/2021 Accounting Services	09/07		
39/2021 Prepaid Vending Systems	19/07		
02/2022 Actuarial Services		16/08	
08/2022 Recruitment and Selection of Snr Managers		31/08	
03/2022 SCM Bid Committees			02/09

BEAUFORT WEST MUNICIPALITY						ANNEXURE D	
ANNEXURE D-FORMAL QUOTATIONS AND TENDERS AWARDED FOR THE 1ST QUARTER - 01 JULY UNTIL 31 SEPTEMBER 2021							
Bid #	Item	Awarded to	Bid Amount	BBBEE Level	Award by		
SCM 02/2022	Request for Quotation to provide Actuarial Services in respect of Beaufort West Municipality's employee benefit liabilities for the Financial year ending 30 June 2021	ZAQEN Actuaries (Pty)	R 24 150.00	4	Director: Financial Services		
SCM 08/2022	Formal written price quotation are hereby invited for Appointment of a service provider to assist with the Recruitment and Selection process of a senior manager accountable to a Municipal Manager for Beaufort West Municipality in terms of Section 56 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	Roy Steele & Associates cc	R 39 000.00	4	Director: Financial Services		
SCM 13/2021	Supply and delivery of Protective Clotching for a period of three years	Aludar Holdings	Rate Based	1	Bid Adjudication Committee		
SCM 22/2021	Professional Services: Short Term Insurance Portfolio for period of 3 years	Blackbird Trading	Rate Based	1	Bid Adjudication Committee		
SCM 23/2021	Provision of Cash-In-Transit Services for a period of 3 years	Opulentia Financial Services	R 3 472 244.77	1	Bid Adjudication Committee		
SCM 37/2021	Professional Services: Provision of Accounting Services for a period of 2 years	Fidelity Cash Solutions (Pty) Ltd	R 1 359 244.80	1	Bid Adjudication Committee		
SCM 39/2021	Supply of Pre-Payment Vending System and Services for a period of 3 years	Mubeko Africa v/a Tsholo Consulting Solutions	R 2 656 100.00	2	Bid Adjudication Committee		
		Contour Technology Pty Ltd	R 19 987 840.00	1	Municipal Manager		
<b>TOTAL</b>			R 27 538 579.57				
			R 27 538 579.57				

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Awards made to suppliers outside BW but within the province	R 6 191 494.77	22.48%
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ANNEXTURE F						
Irregular Expenditure from 01 July 2021 until 30 September 2021						
SCM number	Bid description	Contract Manager	Contract Start date	Contract Completion date	Bidder	Quarter 1 Expenditure from 01 July until 30 September 2021
SCM16/2017	Supply an delivery of cleaning material and tissue paper for a period of 3 years	Director: Financial Services	05/02/2018	05/02/2021	Central Karoo Events	R 29 625.00
SCM 09/2018	Provision of cash-in-transit services.	Director: Financial Services	01/10/2018	01/10/2021	Fidelity cash solutions	R 74 787.51
SCM 17/2018	Short term insurance portfolio for period of 3 years	Mr C Kymdell and L. Gouws	01/07/2018	30/06/2021	AON South Africa	R 187 519.74
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 Abott	R 28 566.00
SCM 18/2019	Supply, delivery, installation, maintenance, and financing of office automation equipment for a 3 year period	Mr. A.C. Makendiana	6/08/2019	06/06/2022	Ricoh Garden Route	R 471 031.49
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 Elektries	R 170 926.93
Tender No 05/2016	Performance Management System until 30 June 2020	Mr. A.C. Makendiana	10/05/2017	30/06/2020	Ignite Advisory	R 268 178.16
SCM 15/2016	Full maintenance fleet: Vehicles	Director: Infrastructure Services	01/06/2021	01/05/2019	Bidvest/Eqstra fleet	R 985 981.86
SCM 16/2016	Professional Services: Water Services	Director: Infrastructure Services	23/07/2016	23/06/2019	Neil Lyners & Associates (RF) (Pty) Ltd	R 347 742.49
<b>TOTAL</b>						<b>R 2 564 359.18</b>

Comment

Confirm if was new contract for payments March to June identified as irregular previously by AG  
 identified as irregular previously by AG  
 identified as irregular previously by AG  
 identified as irregular previously by AG  
 identified as irregular previously by AG. New contract not in place  
 identified as irregular previously by AG  
 Extension not approved  
 Contract expired. Leases month to month  
 Contract expired.