



8/11/23



**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

Navrae
Enquiries
Imibuzo S.A Pothberg

Datum
Date
Umhla 2023.10.13



Privaatsak / Private Bag 582
Faks/Fax: (023) 4148105
Tel. (023) 4148100

e-pos / e-mail: senel@beaufortwestmun.co.za
Kerkstraat 15 Church Street
BEAUFORT-WES
BEAUFORT WEST
BHOBHOFOLO
6970

MEMORANDUM TO THE ACTING MUNICIPAL MANAGER

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 1ST QUARTER- 01 JULY TILL 30 SEPTEMBER 2023

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 1st quarter of 2023/2024 financial year awards amounting to **R 255 841,27** were made by the municipality to people whose close family members are in the service of the state, see **Annexure A** 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 –

- (d) Any other exceptional case where it is impractical or impossible to follow the official procurement processes, including:
 - (d)(v) 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
 - (d)(ii) Any contract with an organ of state, a local authority or a public utility corporation or company

There were 11 deviations approved by the Acting Accounting Officer during the quarter ending 30 September 2023. The total amount of these deviations was **R 303 294,66** see **Annexure B** for details.

SIRKULASIE		OPDRAG

4. 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. There were **8** awards made in terms of these sub-delegations which amount to **R 30 557 140,63** and the details of these awards are attached as **Annexure C**.

5. 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 **R 2 470 918,52** as a result of contracts that were used though they have already expired, see **Annexure D** for details.

6. PUBLICATION OF SCM REPORT

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council's notice boards and website.



Prepared by: **Mrs. S.A Pothberg**
Practitioner: Supply Chain Management



Reviewed: **Mr. M Nhlengetwa**
Acting Director: Financial Services

BEAUFORT WEST MUNICIPALITY

Annexure A- Awards to close family members of persons in the service of the state 1st Quarter - 01 July- 31 September 2023

Business	Date	Reference	Amount	Interest
Anne's Deli	18/08/2023	PI08/18/00033342/2023-2024	R 3 600,00	Husband, Mr A Stoffels, Is currently employed by the Department of Education
Q&K Projects	07/07/2023	PI07/07/00032980/2023-2024	R 34 337,28	Spouse, Mrs Y De Wee, currently employed at Transnet
	07/07/2023	PI07/07/00032982/2023-2024	R 23 761,88	
	10/07/2023	PI07/10/00033040/2023-2024	R 23 761,88	
	10/07/2023	PI07/10/00033041/2023-2024	R 34 337,28	
	18/08/2023	PI08/18/00033352/2023-2024	R 31 067,25	
TSCH International Holdings	08/09/2023	PI09/08/00033622/2023-2024	R 31 832,58	Spouse, Mr E Hlongwane, currently employed at City of Cape Town
	16/03/2023	PI03/16/00031913/2022-2023	R 17 093,00	
	10/07/2023	PI07/10/00033047/2023-2024	R 10 154,59	
	25/07/2023	ORD9751	R 6 425,28	
	28/08/2023	PI08/28/00033449/2023-2024	R 7 253,28	
Avril Catering	01/09/2023	ORD 9899	R 8 975,00	Son is employed at the Department of Agri Cultural Affairs and daughter at Department of Social Development
Jabeja Consulting	28/08/2023	PI08/28/00033437/2023-2024	R 2 350,00	Brother, Mr Du Plessis, Is currently employed by the Department of Education
Swans Bestuurskool	11/08/2023	PI08/11/00033319/2023-2024	R 13 817,25	Spouse, Mr-S Swanepoel , currently employed at the Department of Correctional Services
	08/09/2023	PI09/08/00033616/2023-2024	R 13 500,00	
TOTAL			R 262 266,55	

BEAUFORT WEST MUNICIPALITY

Annexure B- Deviations awarded for the 1st Quarter - 01 July- 31 September 2023

Applicable Paragraph in SCM Policy	Supplier	Amount	Date	Reference	Directorate	Reason for Deviation
(a) Emergency	Jirah Construction	R 24 100,00	26/07/2023	ORD09761	C Wright	Unblock sewerage line at Kwa Mandlenkosi Pump station. The Municipality do not have a super sucker to do the work therefore the services of contractor was needed. This is a health risk to community and should be resolved immediately
(b) Sole Suppliers	Farad	R 18 055,00	05/09/2023	ORD 09954		Sole Agent for Landis+Gyr load management equipment in South Africa
(d) Any other exceptional case where it is impractical or impossible to follow the official procurement processes, including:	Beaufort Alarms	R 2 440,19	01/08/2023	ORD 9841		Supplying installation of load shedding kit at the electrical stores. They are the current service provider of alarm system was installed by them and is it impractical to use other service providers for the maintenance of alarm
		R 4 880,37	20/07/2023	ORD 9792, 09896		Supplying installation of load shedding kit at the workshop for alarms and beams. They are the current service provider of alarm system was installed by them and is it impractical to use other service providers for the maintenance of alarm
		R 6 999,13	15/08/2023	ORD 9818		Installation of new alarms system at the Bloudam where new generator were installed.
		R 20 936,71	08/09/2023	ORD 9975		Repair of existing alarm that was damaged with a burgarly at Kaijeskop 132/222kv substation. They are the current service provider of alarm system was installed by them and is it impractical to use other service providers for the maintenance of alarm
(d)(i) Any contract relating to the publication of notice and advertisements by the municipality	Media 24	R 39 560,00	28/07/2023	ORD 9773		Advertisement of Director Infrastructure Vacancy in National Newspaper
		R 39 560,00	02/08/2023	ORD 9790	A Makendiana	Advertisement of Municipal Manager Vacancy in National Newspaper
		R 32 108,00	17/08/2023	ORD 9831		Publication of Vacancy of Director Financial Services in National Newspaper
	Hoistec	R 17 447,00	24/08/2023	ORD09873	C Wright	Parts were needed to the repair of refuse truck that was needed for service delivery.
(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	Tyres and threads	R 4 210,00	16/08/2023	ORD 9854	D Welgemoed	CZ 10029 replacement of new tyres for vehicle that is needed for essential service delivery. Service provider where we had an account with was closed and only local service provider that could render this service is <u>www.makendiana.co.za</u>
	Beaufort West Precision Engineers	R 83 858,00	05/09/2023	ORD 9915	C Wright	Repair on the engine of the Hyundai 2.6 Truck CZ 7751, impractical to send for vehicle for strip and quotation

R 294 154,40

12

TOTAL AMOUNT OF DEVIATIONS

TOTAL QUANTITY DEVIATIONS

BEAUFORT WEST MUNICIPALITY

Annexure C-Formal quotations and tenders awarded for the 1st Quarter - 01 July- 31 September 2023

Bid #	Item	Awarded to	Bid Amount	BBBEE Level	Award date	Award by
SCM 65/2023	Appointment of Occupational Health, safety and environment consultant to assist with the provision of health and safety services for the Beaufort West for a period of three (3) years	EQ Project	R 2 019 140,63	1	24/07/2023	
SCM 68/2023	Professional Services: Valuation of Properties Within Beaufort West Municipality	DDP (Pty) Ltd	R 1 260 000,00	1	28/07/2023	
SCM 71/2023	Supply And Delivery Of Light Weight Vehicles And Passenger Vehicles For A Period Of 3 Years	Avis Fleet (Pty) Ltd	Various Prices	1	08/08/2023	
		Crawfords Attorneys,		4		
		Mamatela Associates Inc.		1		
		Wesley Pretorius Associates Inc.	Rate base	n/p		
		Magqabi Seth Zita Inc		1		
		Fairbridge Ardene		n/p		
SCM 49/2023	Appointment Of A Panel Of Legal Practitioners For The Rendering Of Legal Services For A Contract Period Of 3 Years				16/08/2023	Bid Adjudication Committee
SCM 03/2024	Installation of Connection Services at Skills Centre, Beaufort West	Q and K Projects	R 424 350,00	1	12/09/2023	
		Water & Waste Water Engineering JV as preferred bidder	R5 976 785.08	7	22/06/2023	
		Royal Mndawe Holdings (Pty) Ltd T/A ROHM Consulting – Alt	R6 723 081.13	1		
SCM 81/2023	Professional Engineering Services Panel for Water and Sanitation Infrastructure for a multi-year period	Zutari (Pty) Ltd – Alternate 2	R6 948 070.00	1		
		TAC Group JV Ultrasono	Various Prices	2		
		Bidvest Waltons	Various Prices	2	22/06/2023	
SCM 02/2024	Supply and delivery of Stationery and Office Supplies of a period for three (3) years	Laydena Construction and General Trading	Various Prices	1		
		Zutari (Pty) Ltd – Preferred bidder	R 7 134 600,00	1		
		SMEC South Africa – Alternate 1	R 8 466 875,00	1	22/06/2023	
SCM 85/2023	Professional Engineering Services panel for solid waste and public facilities for a multi-year period ending June 2026	Delta Built Environment – Alternate 2	R 11 252 175,00	1		
	TOTAL		R 30 557 140,63			

