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

KANTOOR VAN DIE DIREKTEUR: FINANSIËLE DIENSTE

OFFICE OF THE DIRECTOR: FINANCIAL SERVICES

Rig esebliëf 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

2025.02.14



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

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

MEMORANDUM TO THE MUNICIPAL MANAGER

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 2nd QUARTER- 01 OCTOBER TILL 31 DECEMBER 2024

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 paragraph 13 (f) Council's Supply Chain Management Policy 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 2nd quarter of 2024/2025 financial year awards amounting to **R 187 363,53** 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 36:

"The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency (as per definition);

(ii) if such goods or services are produced or available from a single provider only;

(ii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(vi) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids;

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There were 8 deviations approved by the Accounting Officer during the 2nd quarter. The total amount of these deviations was **R 169 091,40** see **Annexure B** for details.

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 2 awards made in terms of these sub-delegations by Bid Adjudication Committee, 4 awards by Head of Department and 1 Transversal agreement with National Treasury which amount to **R 8 046 288,10** and the details of these awards are attached as **Annexure C**.

5. CONTRACT MANAGEMENT

Contract with Inzalo Enterprise Management System was extended for 3 year period (01 July 2023 until 30 June 2026) which include prepaid vending system starting 01 February 2025.

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:

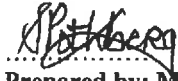
“Irregular expenditure”, in relation to a municipality or municipal entity, means—

- (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”.

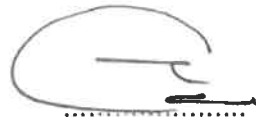
During the quarter under review the municipality incurred irregular expenditure amounting to **R 4 312 727,50** as a result of contracts that were used though they have already expired, see **Annexure D** for details.

7. 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
Accountant: Supply Chain Management



Reviewed: Mr. R Eland
Acting Director: Financial Services

BEAUFORT WEST MUNICIPALITY

Annexure A- Awards to close family members of persons in the service of the state for the 2nd Quarter - 01 October- 31 December 2024

Business	Date	Reference	Amount	Interest
Gwennas Solutions	31/10/2024	ORD-11506	R 3.300,00	
	07/11/2024	ORD-11545/INNY054	R 3.400,00	Daughter, R Petersen, currently employed at Transnet
	15/11/2024	ORD-11591	R 14.000,00	
Q&K Projects	25/10/2024	PI10/25/00037757/2024-2025	R 22.718,25	
	26/11/2024	PI11/26/00038049/2024-2025	R 27.727,65	Spouse, Mrs Y De Wee, currently employed at Transnet
	12/12/2024	PI12/12/00038320/2024-2025	R 16.665,23	
RWS Cleaning Services	18/10/2024	PI10/18/00037695/2024-2025	R 29.443,91	
	21/10/2024	PI10/21/00037725/2024-2025	R 13.183,40	Son is employed at the Central Karoo District Municipality, Nathan Summers
	19/12/2024	PI12/19/00038382/2024-2025	R 27.885,09	
L & E Projects	11/11/2024	PI01/17/00038506/2024-2025	R 29.040,00	Brothers, Mr Bevan and Ashley Mitchell. Is currently employed at the Beaufort West Municipality and brother, Elroy Mitchell employed at the Department of Education

TOTAL QUANTITY

R 187.363,53

TOTAL AMOUNT

10

BEAUFORT WEST MUNICIPALITY

Annexure B - Deviations awarded for the 2nd Quarter - 01 October- 31 December 2024

Applicable	Supplier	Amount	Date	Reference	Directorate	Reason for Deviation
	Workshop Electronics	R 20.490,70	31/10/2024	ORD-11509	Community Services	It is a legal requirement that all equipment at the vehicle testing station must be calibrated annually. During the year problems were experienced with some of the equipment of which the
		R 77.530,70	10/7/2024	ORD-11574		
	Quidity	R 11.845,00	31/07/2024	PI07/31/00036943/ 2024-2025	Corporate Services	Quidity CC which is an Administrator system that the Beaufort West Municipality use at Corporate Services which was procured prior to the implementation of Supply Chain Management Regulations. Quidity is the holder of the licensing rights to this application and is the sole and only company that provides monthly support.
		R 11.845,00	29/08/2024	PI08/29/00037189/ 2024-2025		
		R 11.845,00	30/09/2024	PI09/30/00037508/ 2024-2025		
		R 11.845,00	01/11/2024	PI11/01/00037868/2 024-2025		
		R 11.845,00	28/11/2024	PI11/28/00038123/2 024-2025		
		R 11.845,00	12/12/2024	PI12/12/00038323/2 024-2025		
(b) Sole Supplier						
TOTAL AMOUNT OF DEVIATIONS		R 169.091,40				
TOTAL QUANTITY DEVIATION		8				

BEAUFORT WEST MUNICIPALITY						
Annexure D-Formal quotations and tenders awarded for the 2nd Quarter - 01 October- 31 December 2024						
Bid #	Description	Awarded to	Bid Amount	BBBEE Level	Award date	Award by
Formal quotations with value R 39 600 000 until R 200 000						
SCM 03/2024	Supply, delivery, install and testing of a 10MVA 22/11kV DYN11 power transformer with associated works for main substation on behalf of Beaufort West Municipality	VE Reticulation (Pty) Ltd	R 6 680 000,00	1	14/11/2024	Bid Adjudication Committee
SCM 08/2024	Maintenance, service, auto Electrical, Hydraulic, Engineering and Welding Repairs of Fleet for period of 3 years	BW Presisie Motors Ingenieurswerke (Pty) Ltd	Rate base	4	5/12/2024	
RT29/2024	Transversal contract RT29-2024 The Appointment of service providers for audit and token identifier (TID) conversion of existing prepayment meters and the supply, delivery, installation, management, and maintenance of smart meters	Comlog (Pty) Ltd	R 741.799,45	1	10/12/2024	
	Financial management system from 01 July 2023 until 30 June 2026	Inzalo Enterprise Management System	Different fee structures		26/06/2023	Municipal Manager
Competitive bids with value R 490,000,00						
SCM 09/2024	Supply and delivery of 500l diesel bowser	Mdubi Logistics and Projects	R 35.320,73	1	15/11/2024	L. Ntlotla
SCM 15/2024	Supply and Delivery of Laptops	KPG Agencies CC	R 481.608,30	1	15/12/2024	Bid Adjudication Committee
SCM 17/2024	Supply and Delivery of Network Switches	Alrisha Holdings (Pty) Ltd	R 48.621,92	1	10/12/2024	A Makendiana
		Siyhambjiti Electrical and Industrial Supplies	R 58.937,30	1		
SCM 18/2024	Supply and Delivery of LED Lights and Service Parts for Existing LED Lights	Smart Switch Distributors	R 114.163,05	2	13/12/2024	L. Ntlotla
TOTAL			R 8.046.288,10			

BEAUFORT WEST MUNICIPALITY

Annexure E - Expenditure of Irregular Contracts for the 2nd Quarter - 01 October - 31 December 2024

SCM number	Bid description	Bidder	Amount	Payment reference	Payment date	Start date	Completion date	Comment	
SCM 15/2016	Full maintenance fleet: Vehicles	Egstra fleet	R	5.826.85	P110/17/00037687/2024-2025	17/10/2024			
			R	5.826.85	P11/12/00038061/2024-2025	27/11/2024			
			R	24.934.17	P10/13/00038646/2024-2025	30/01/2025			
			R	5.775.17	P10/13/00038649/2024-2025	30/01/2025			
			R	162.419.87	P110/01/00037568/2024-2025	01/10/2024			
			R	136.836.52	P11/07/00037916/2024-2025	07/11/2024			
			R	157.567.55	P11/26/00038051/2024-2025	26/11/2024			
			R	158.781.82	P10/12/00038536/2024-2025	23/01/2025	01/06/2021	01/05/2019	Contract extended beyond contract period.
			R	37.343.02	P110/31/00037852/2024-2025	31/10/2024			
			R	25.263.04	P10/13/00038618/2024-2025	30/01/2025			Different cellphone and data contracts
None	Cell phone Contracts for Councillors and Personnel	MTN	R	25.531.98	P10/10/00037644/2024-2025	30/01/2025		No SCM Process followed	
			R	1.616.42	P110/18/00037691/2024-2025	10/10/2024			
Different contracts		Telkom SA	R	9.915.57	P110/18/00037693/2024-2025	18/10/2024			
			R	99.418.71	P110/18/00037693/2024-2025	18/10/2024			
			R	3.535.36	P110/31/00037845/2024-2025	31/10/2024			
			R	1.487.67	P11/05/00037907/2024-2025	05/11/2024			
			R	1.459.62	P11/12/00037938/2024-2025	12/11/2024			
			R	2.948.59	P11/14/00037970/2024-2025	14/11/2024			
			R	1.867.38	P11/14/00037971/2024-2025	14/11/2024			
			R	9.860.45	P11/18/00038001/2024-2025	18/11/2024			
			R	96.268.80	P11/18/00038002/2024-2025	18/11/2024			
			R	2.079.91	P11/28/00038120/2024-2025	28/11/2024			
R	3.516.21	P11/28/00038121/2024-2025	28/11/2024						
R	3.555.44	P12/12/00038317/2024-2025	12/12/2024						

