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

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 mayithunyekwe kuMlawuli kaMasipala

Verwysing
Reference
Isalathiso

Navrae
Enquiries
Imibuzo

Datum
Date
Umhla

6/1/1/1

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2025.10.15



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MEMORANDUM TO THE MUNICIPAL MANAGER

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 1ST QUARTER- 01 JULY TILL 31 SEPTEMBER 2025

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

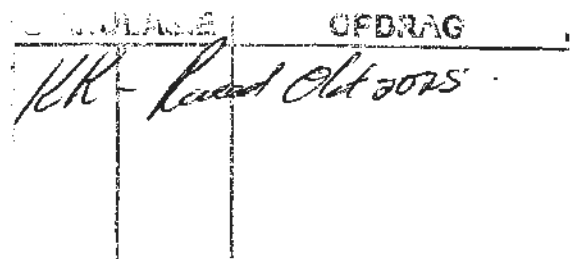
In terms of the Municipal Supply Chain Management Regulations, Paragraph 45, awards given to close family members or persons in the service of the state, above R2 000, should be disclosed in the notes to the Annual Financial Statements. During the 1st quarter of 2025/2026 financial year awards amounting to **R 1 296 346,27** 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 3 deviations approved by the Accounting Officer during the 1st quarter. The total amount of these deviations was **R 97 706,55** 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 6 awards made in terms of these sub-delegations by Bid Adjudication Committee, **R 30 100 100,76** and 1 awards by Head of Department which amount to **R 258 397,88** and the details of these awards are attached as **Annexure C**.

5. CONTRACT MANAGEMENT

In terms of National Treasury Circular 62, contracts may be varied or expanded by not more than 20% for construction-related goods or services and no more than 15% for all other goods and or services.

The Municipality appointed Hurrycane Civils on 31 March 2025 through a competitive bidding process for the Upgrading of Kwa Mandlenkosi Library for an amount of R1 049 608,45 VAT Inclusive.

The Municipality received R 1.5 million for the extension / expansion of the Kwa Mandlenkosi Library. The plans received from Provincial Government Western Cape Directorate: Professional & Project Management Services who compiled the drawing indicated about 70m² floor area to be added to the existing area. The Municipality did the Bill of Quantity and this was based only on the construction of the new part and the conversion of the old toilets to allow for one disable people toilet.

Preliminary estimates showed that the allocated funds would not be enough to refurbish the old part of the building therefor no allowance was made for this in the Bill of Quantity.

We have R 450 391.55 available from initial budget for work on the old building so that the project would look well rounded off and complete.

The Contract Manager, Mr Norwood Kotze, requested that an application for the roll-over of the funds be submitted and that the contractor's scope of work be extended to complete the above outstanding work up until the 20% which is allowable in terms of the regulations. The rest of the available funds could be used to buy bookshelves, library furniture and replace the current palisade fencing with a more secure Clear-view or Beta type fence.

SCM 30/2025: Provision of Security Services for period of 12 months were awarded to Sibakulu Trading on 01 July 2025. Contract Manager, Mr Malcom Lawrence raised a request to Bid Adjudication Committee that the following sites was not provided for in the tender document but that security needed to be placed there:

1. Vaalkoppies - Funding condition was that the facility be provided with 24hr security
2. Nelspoort Stadium - Recently completed project to the value of just over R4.5 million
3. Kwa Mandlenkosi SAPS - Subject to vandalism

#	Amendment	Actual Value Hurricane Civil Supplier	Actual Value Sibakulu Trading (Pty) Ltd
1.	Total Contract Value of bid	R 1.049.608,45	R 6.451.489,80
2.	15%/20% of total contract value	R 209.921,69	R 981 223,47
3.	Estimated expenditure		R861 465,00

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:

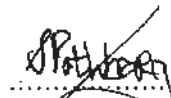
“Irregular expenditure”, in relation to a municipality or municipal entity, means—

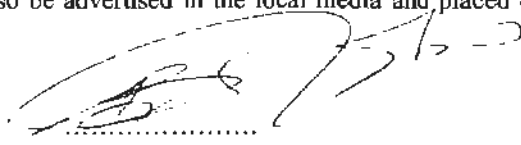
- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is 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 **R1 212 589,87^A** 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
Practitioner: Supply Chain Management


Reviewed: Mr. B Jacobs
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- 30 September 2025					
Business	Date	Reference	Amount	Description of transaction	Interest
Anne's Deli	11/07/2025	ORD-12416	R 3.325,45	Supply and delivery of coffee, tea, sugar for MM's Office	Husband, Mr A Stoffels, Is currently employed by the Department of Education
	05/08/2025	ORD-12416	R 3.725,00	Catering for ward committee workshop	
	25/09/2025	PI09/25/00041162/2025-2026	R 4.750,00	Supply and delivery of 500X500ML water FOR CDW function	
Beaufort West Luxury Coaches	29/08/2025	ORD-12566	R 5.440,00	Transport services for 18 people from Murraysburg, Nelspoort and Merweville for Ward Committee session	Daughter in law, B Johnson are employed at Provincial Traffic
	25/09/2025	PI09/25/00041161/2025-2026	R 12.200,00	Transport services for 17 people from Murraysburg, Nelspoort and Merweville for training	
Gwennas Solutions	30/09/2025	ORD-12703	R 3.750,00	Catering for Council meeting 30 September	Daughter, R Petersen, currently employed at Transnet
Q&K Projects	18/07/2025	ORD-12379	R 8.763,00	Digging of graves services	Spouse, Mrs Y De Wee, currently employed at Transnet
	4/8/2025	ORD-12437	R 9.706,00		
	30/07/2025	PI07/30/00040568/2025-2026	R 30.997,68		
	23/09/2025	PI09/23/00041130/2025-2026	R 18.195,88		
	25/09/2025	PI09/25/00041138/2025-2026	R 25.570,25		
	4/8/2025	SCM 29/2025	R1.169.923,01	Digging of Graves: Beaufort West Graveyard for 3 year period	
TOTAL QUANTITY			R 1.296.346,27		
TOTAL AMOUNT			4		

BEAUFORT WEST MUNICIPALITY						
Annexure B - Deviations awarded for the 1st Quarter - 01 July- 30 September 2025						
Applicable Paragraph in SCM Policy	Supplier	Amount	Date	Reference	Directorate	Reason for Deviation
(a)	Emergency				L Nqotola	On 18 August 2025 the Engineering department was informed of a sewerage blocked on the main sewerage line collecting all sewerage from Gracelan, Hillside II, Hillside, Newtown, Rustdene, Essopville and the Industrial Area. The blockage caused large volumes of sewerage to overflow in open areas close by schools such as St Mathews and AH Barnard and in the vicinity of the Day Hospital. The sewerage team was not able to relief the blockage as there were large number of rocks in the sewer line.
(b)	Sole Supplier	Jirah Construction	R 54.200,00	27/08/2025	ORD-12547	Quidity CC which is an Administrator system that the Beaufort West Municipality use at Corporate Services which was was procured prior 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 12.792,00	30/07/2025	PI07/30/00040563 /2025-2026	
			R 12.792,00	27/08/2025	PI08/27/00040858 /2025-2026	
		Quidity	R 12.792,00	25/09/2025	PI09/25/00041141 /2025-2026	
(d)(vi)	Any other exceptional case where it is impractical or impossible to follow the official procurement processes including:	Beaufort Alarms	R 5.130,55	14/08/2025	ORD-12478	AC Makendlane The Municipality has a maintenance and monitoring agreement with Beaufort Alarms at 112 Donkin street-Corporate Services. It is impractical to obtain quotations from other service providers for the repair and maintenance of the existing security alarms. The work required as per the attached quotation is due to wear and tear and is necessary to ensure the effective functioning of the security alarm.

TOTAL QUANTITY DEVIATION
TOTAL AMOUNT OF DEVIATIONS

R 97.706,55

BEAUFORT WEST MUNICIPALITY						
Annexure D-Formal quotations and tenders awarded for the 1st Quarter - 01 July- 30 September 2025						
Bid #	Item	Awarded to	Bid Amount	BBBEE Level	Award date	Award by
Formal quotations with value R 30 000 until R300 000						
SCM 34/2025	Supply and Delivery of Personal Protective Clothing	Smart Switch Distributors (Pty) Ltd	R 258.397,88	1	9/6/2025	HOD-Financial Services
Competitive bids with value R 300 000≤						
SCM 29/2025	Digging of Graves: Beaufort West Graveyard for 3 year period	Q & K Projects	R1.169.923,01	1	4/8/2025	Bid Adjudication Committee
SCM 35/2025	Upgrading of Gravel Roads: Blanken Way (Hillside): Beaufort West	De Jagers Loodgieters Kontrakteurs (Edms) Bpk	R10.500.089,49	1		Municipal Manager
SCM 14/2025	Extension of bid for the Upgrading of Kwa-Mandlenkosi Library, Beaufort West	Hurricane Civil Supplier	R 209.921,69	1	8/8/2025	Bid Adjudication Committee
SCM 03/2025	Extension of bid for the Provision Of Security Services for a Twelve (12) Months Period	Sibakulu Trading (Pty) Ltd	R981.223,47	1		
SCM 04/2025	Professional Services: Electrical Services	CVW Consulting Engineers (Pty) Ltd	R1.237.544,90	1	16/09/2025	Municipal Manager
SCM 40/2025	Civil Construction and Associated works for the Upgrading of the Nelspoort Water Treatment Works	De Jagers Loodgieters Kontrakteurs (Edms) Bpk	R 16.001.398,20	1		
TOTAL			R 30.358.498,64	Λ		

BEAUFORT WEST MUNICIPALITY													
Annexure E - Expenditure of Irregular Contracts for 1st Quarter - 01 July- 30 September 2025													
SCM number	Bid description	Bidder	Amount	Payment reference	Payment date	Start date	Completion date	Comment					
SCM 15/2016	Full maintenance fleet: Vehicles	Eqstra fleet	R 5.835,28	PI07/29/00040511/20 25-2026	29/07/2025	01/06/2021	01/05/2019	Contract extended beyond contract period					
			R 5.835,28	PI08/25/00040783/20 25-2026	25/08/2025								
			R 5.773,16	PI09/22/00041115/20 25-2026	22/09/2025								
		Nedfleet	R 198.947,06	PI07/30/00040592/20 25-2026	30/07/2025								
			R 164.369,00	PI08/28/00040924/20 25-2026	28/08/2025								
			R 158.501,89	PI10/03/00041320/20 25-2026	03/10/2025								
			R 17.070,24	PI07/10/00040364/20 25-2026	10/07/2025								
		Bidvest Bank	R 8.777,81	PI07/15/00040414/20 25-2026	15/07/2025								
			R 17.070,24	PI08/06/00040685/20 25-2026	06/08/2025								
			R 1.877,27	PI09/10/00041028/20 25-2026	10/09/2025								
			R 17.055,09	PI09/10/00041029/20 25-2026	10/09/2025								
			R 87.496,60	PI07/31/00040611/20 25-2026	31/07/2025								
		SCM 62/2023	Supply, Maintenance, Repairs and Calibration of Digital Speed Cameras and the Administration of a Back Office for a Period of Three Years	Total Computer Services	R 132.275,76				PI08/15/00040749/20 25-2026	15/08/2025	13/04/2023	12/04/2026	
					R 131.081,60				PI09/09/00041024/20 25-2026	09/09/2025			
SCM 66/2023	Provision of Comprehensive Banking Services	Nedbank	R 109.441,81	Bank charges-01 July -30 September 2025		12/07/2023	11/7/2028	Identified as irregular previously by AG. Advertisement not shorter than prescribed period advertised					
		Merch D-Bank card machine charges-01 July -30 September 2025	R 36.525,14	PI07/01/00040304/20 24-2025	01/07/2025								
			R 37.952,05	PI08/04/00040673/20 25-2026	04/08/2025								
			R 36.515,53	PI09/03/00040998/20 25-2026	03/09/2025								
			R 40.189,06	PI10/03/00041322/20 25-2026	03/10/2025								
Total			R 1.212.589,87										