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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           6/1/1/1  
Isalathiso

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Datum  
Date                 2026.01.15  
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**MEMORANDUM TO THE ACTING MUNICIPAL MANAGER**

**SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 2<sup>ND</sup> QUARTER- 01 SEPTEMBER TILL 31 DECEMBER 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 2<sup>nd</sup> quarter of 2025/2026 financial year awards amounting to **R 82 036.75** 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 4 deviations approved by the Accounting Officer during the 2nd quarter. The total amount of these deviations was **R 101 296.38** 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 93 034 649,92 and 3 awards by Head of Department which amount to R 192 296.69 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.

**Notice No. 114/2024 SCM 03/2025 Supply, Delivery, Installation and Testing of a 10MVA 22/11KV DYN11 Power Transformer with Associated Work for Main Substation in Beaufort West:**

| #  | Amendment                   | Actual Value                     |
|----|-----------------------------|----------------------------------|
|    |                             | <b>VE Reticulation (Pty) Ltd</b> |
| 1. | Total Contract Value of bid | R 6.680 000,00                   |
| 2. | 20% of total contract value | R 1 336 000,00                   |

#### 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 385 484,42 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**  
Senior Practitioner: Supply Chain Management



Reviewed: **Mr. B Jacobs**  
Director: Financial Services and  
Acting Municipal Manager

| BEAUFORT WEST MUNICIPALITY   |            |                            |                    |  |  |
|--|------------|----------------------------|--------------------|--|--|
| Annexure A- Awards to close family members of persons in the service of the state for the 2nd Quarter - 01 September- 31 December 2025 |            |                            |                    |  |  |
| Business   | Date       | Reference                  | Amount             | Description of transaction   | Interest   |
| Anne's Deli  | 2/10/2025  | ORD-12711                  | R 4.750,00         | Inter Governmental Road Safety Program- water for CDW'S 02/10/2025 | Husband, Mr A Stoffels, Is currently employed by the Department of Education |
|  | 10/11/2025 | ORD-12837                  | R 4.440,00         | Catering for Regional Staff Meeting 20/11/2025 for CDW'S           |  |
| Q&K Projects   | 29/10/2025 | PI10/29/00041543/2025-2026 | R 32.855,50        |  | Spouse, Mrs Y De Wee, currently employed at Transnet                         |
|  | 18/12/2025 | PI12/18/00042195/2025-2026 | R 13.713,75        |  |  |
|  | 18/12/2025 | PI12/18/00042200/2025-2026 | R 26.277,50        | Digging of Graves: Beaufort West Graveyard for 3 year period       |  |
| <b>TOTAL QUANTITY</b>  |            |                            | <b>R 82.036,75</b> |  |  |
| <b>TOTAL AMOUNT</b>  |            |                            | <b>2</b>           |  |  |



**BEAUFORT WEST MUNICIPALITY**

**Annexure B - Deviations awarded for the 2nd Quarter - 01 September- 31 December 2025**

| Applicable Paragraph in SCM | Supplier                     | Amount      | Date       | Reference                     | Directorate    | Reason for Deviation   |
|-----------------------------|------------------------------|-------------|------------|-------------------------------|----------------|--|
| (a)                         |                              |             |            |                               |                |  |
| Emergency                   | Riversdale Electric Dealer   | R 50.873,13 | 11/12/2025 | 2025-2026                     | L Ngqola       | On 20 October 2025 the underground 11 000 Volt Main Supply Cable to Leon Ekssteen Substation went faulty. The cable is approximately 400 meters in length to the first isolation point. We do not have the expertise nor the equipment to locate the fault on an underground cable and had to contact Riversdale Electric who send us one of their specialist for underground cable faults and repairs. The cable is approximately 50 years old and there was a section that was dret out with no insulating oil present, so we cut out 108 meter section out of the cable and replaced it from the breaker to where the cable still look acceptable to be joined. This cable needed to be replaced as it was the 3rd time that it went faulty in a period of 10 months and will cost approximately R3 million to replace together with the backup cable that is also out of service due to various faults on the cable. |
|                             |                              |             |            | P110/29/000041537             |                |  |
|                             |                              | R 12.792,00 | 29/10/2025 | 2025-2026                     |                |  |
|                             |                              | R 12.792,00 | 26/11/2025 | P111/26/00041795<br>2025-2026 |                |  |
| Sole Supplier               | Izualo Enterprise Management | R 12.792,00 | 18/12/2025 | P112/18/00042196<br>2025-2026 | A.C Makenclama | Izualo is the service provider that serves the Municipality with its financial management program as well as the Meternan application used to read all water and electricity meters. The tread data collection devices needed is specifically for the meternan application and enables the meter readers to read the meters and convey the information directly to the Izualo financial system for capturing. These devices is specifically programmed and services by Izualo and cannot be supplied by any other supplier.  |
|                             |                              |             |            |                               |                |  |
|                             |                              | R 6.682,50  | 16/10/2025 | ORD-12761                     |                |  |
|                             | Office Technology Brokers    | R 5.364,75  | 12/12/2025 | ORD-12983                     | B Jacobs       | 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 a sealed cartridge may be inserted from their workshop. They are the only company that can supply us with this kind of cartridges. The municipality rents the machine from firm and it insists that only a sealed cartridge may be inserted from their workshop. They are the only company that can supply us with the cartridges.  |

TOTAL QUANTITY DEVIATION R 101.296,38

TOTAL AMOUNT OF DEVIATIONS R 101.296,38

**BEAUFORT WEST MUNICIPALITY**

**Annexure C: Formal quotations and tenders awarded awarded for the 2nd Quarter - 01 September - 31 December 2025**

| Bid #   | Item   | Awarded to   | Bid Amount   | BBBEE Level           | Award date              | Award by                                |
|---|--|--|--|-----------------------|-------------------------|---|
| <b>Formal quotations with value R 30 000 until R300 000</b> |  |  |  |                       |                         |   |
| SCM 13/2026   | Supply and Delivery of Office Furniture  | Victorathu General Trading<br>Lusak Consulting CC<br>Parkerson Thomas Technology T/A Office Tech   | R 16,937,20<br>R 65,121,99                         | 1<br>1                | 7/10/2025               | Awarded by Director:<br>B. Jacobs       |
| SCM 14/2026   | Request for Proposals: Facilitation and Delivery of Skills Development Programmes for the Beaufort West Municipality   | MGS Enterprises (Pty) Ltd T/A Technilaw SA   | R 83,500,00  | 1                     | 18/11/2025              | Awarded by Director:<br>A.C Makhendiana |
| SCM 17/2026   | Request for Proposals: Facilitation of Municipal Financial Management Programme Training (NQPF)  | Ilngc Labantu Training Institution   | R 26,737,50  | 1                     | 11/12/2025              | Awarded by Director:<br>A. Makhendiana  |
| <b>TOTAL</b>  |  |  |  |                       |                         |   |
| <b>Competitive bids with value R 300 000&lt;</b>            |  |  | <b>R 192,296,69</b>                                |                       |                         |   |
| SCM 46/2025   | Professional Engineering Services Paid for Roads and Stormwater Infrastructure for a Multi-Year Period   | Net Lammers and Associates (Pty) Ltd as the preferred bidder<br>Zanti (Pty) Ltd as the Alternate 1<br>Samtek Consulting Services as the Alternate 2                        | R 5,865,000,00<br>R 6,194,245,00<br>R 6,285,855,00 | 1<br>1<br>1           | 20/10/2025              |   |
| SCM 01/2026   | Civil Construction and Associated works for the Upgrading of the Beaufort West Wastewater Treatment Works  | De Jagers Loodgieters Kontrakteurs (Edms) Bpk<br>Brand Universe (Pty) Ltd<br>Blackumdsi Glass and Aluminium (Pty) Ltd  | R 37,216,714,92                                    | 1<br>1<br>1           | 26/11/2025              |   |
| SCM 03/2026   | Supply and Delivery of Personal Protective Clothing for a Period of Three (3) Years  | Platinum Suppliers (Pty) Ltd<br>Smart Switch Distributors (Pty) Ltd<br>Pretaar Brothers (Pty) Ltd<br>Shakakano Trading and Projects<br>Helo Project Management 1 (Pty) Ltd | Rate based   | 1<br>2<br>1<br>1<br>1 | 10/12/2025              | Bid Adjudication<br>Committee           |
| SCM 12/2026   | Supply, Installation, Maintenance and Monitoring of Security Alarm Systems for a period of 36 months   | Beaufort Alarms<br>Thlamani Civils (Pty) Ltd   | R 1,461,240,00<br>R 6,576,262,66                   | 4<br>1                | 20/10/2025<br>8/12/2025 |   |
| SCM 18/2026   | Upgrading of Netball & Tennis Courts: Phase 1: Residents Extension of Contract - Supply, Delivery, Installation and Testing of a 10MVA 22/11KV DYN11 Power Transformer with Associated work for Main Substation in Beaufort West | VE Reclamation   | R 1,330,706,09                                     | 1                     | 21/11/2025              |   |
| SCM 03/2025   | <b>TOTAL</b>   |  | <b>R 93 034 649,92</b>                             |                       |                         |   |

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**BEAUFORT WEST MUNICIPALITY**  
Annexure D - Expenditure of Irregular Contracts for the 2nd Quarter - 01 September- 31 December 2025

| SCM number  | Rid description   | Bidder                  | Amount       | Payment reference                           | Payment date | Start date | Completion date | Comment   |
|-------------|---|-------------------------|--------------|---|--------------|------------|-----------------|---|
| SCM 15/2016 | Full maintenance fleet: Vehicles  | Egstra fleet            | R 5 773,16   | P110/23/00041453/20                         | 23/10/2025   | 01/06/2021 | 01/05/2019      | Contract extended beyond contract period  |
|             |   |                         | R 5 773,16   | P111/24/00041774/20                         | 24/11/2025   |            |                 |   |
|             |   |                         | R 5 721,62   | P112/11/00042065/20                         | 11/12/2025   |            |                 |   |
|             |   |                         | R 158 501,89 | P110/03/00041320/20                         | 03/10/2025   |            |                 |   |
|             |   |                         | R 172 096,60 | P110/28/00041530/20                         | 28/10/2025   |            |                 |   |
|             |   |                         | R 176,16     | P110/30/00041563/20                         | 30/10/2025   |            |                 |   |
|             |   |                         | R 183 670,46 | P112/02/00041971/20                         | 02/12/2025   |            |                 |   |
|             |   |                         | R 199 930,17 | P101/08/00042279/20                         | 08/01/2026   |            |                 |   |
|             |   |                         | R 2 826,54   | P110/21/00041433/20                         | 21/10/2025   |            |                 |   |
|             |   |                         | R 17 055,09  | P110/21/00041435/20                         | 21/10/2025   |            |                 |   |
| 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 17 055,09  | P111/11/00041692/20                         | 10/11/2025   | 13/04/2023 | 12/04/2026      |   |
|             |   |                         | R 17 055,09  | P112/09/00042014/20                         | 09/12/2025   |            |                 |   |
|             |   |                         | R 17 055,09  | P112/12/00042069/20                         | 12/12/2025   |            |                 |   |
|             |   |                         | R 106 579,70 | P110/13/00041381/20                         | 13/10/2025   |            |                 |   |
|             |   |                         | R 83 428,59  | P111/19/00041744/20                         | 19/11/2025   |            |                 |   |
|             |   |                         | R 102 686,49 | P112/17/00042106/20                         | 17/12/2025   |            |                 |   |
| SCM 66/2023 | Provision of Comprehensive Banking Services   | Nedbank                 | R 45 027,33  | P101/19/00042306/20                         | 19/01/2026   | 12/07/2023 | 11/7/2028       | Identified as irregular previously by AG. Advertisement not shorter than prescribed period advertised |
|             |   |                         | R 106 475,11 | Bank charges- 01 October - 31 December 2025 |              |            |                 |   |
|             |   |                         | R 40 189,06  | P110/03/00041322/20                         | 03/10/2025   |            |                 |   |
|             |   |                         | R 35 661,39  | P111/05/00041670/20                         | 05/11/2025   |            |                 |   |
|             |   |                         | R 34 450,91  | P112/02/00041964/20                         | 02/12/2025   |            |                 |   |
| Total       |   |                         | R 39 492,86  | P101/08/00042280/20                         | 08/01/2026   |            |                 |   |