THE ADMINISTRATOR
12358268

6/1/1/1

v 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

Navrae
Enquiries S.A Pothberg
Imibuzo

Datum
Date 2026.07.17
Umhla

Munisipale Bestuurder / Municipal Manager
2026 -07- 29
Beaufort - Wes / West

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MEMORANDUM TO THE ACTING MUNICIPAL MANAGER

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 4TH QUARTER- 01 APRIL UNTILL 30 JUNE 2026

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 4th quarter of 2025/2026 financial year awards amounting to **R 91 423,75** 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 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;

SIRKULASIE		OPDRAG

There were **4** deviations approved by the Accounting Officer during the 4th quarter. The total amount of these deviations was **R 3 945 583, 36** see **Annexure B** for details.

4. AWARDS OF COMPETETIVE 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 by Bid Adjudication Committee, **R 30 562 566, 05** and **5** awards by Head of Department which amount to **R 804 400,08** and the details of these awards are attached as **Annexure C**.

5. CONTRACT MANAGEMENT

❖ **Extension of Contract**

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 without having to follow the abovementioned process per Section 116(3) of the MFMA.

The Municipality followed a competitive process and awarded bid to Sibakulo Trading (Pty) Ltd for above mentioned services for an amount of R 6 541 489.80.

The current contract expires on the end of 30 June 2026, but we would like to extend it monthly basis until we successfully appointed new service provider as we already have followed a competitive process and the closing date is 25 June 2026.

#	Amendment	Actual Value
		Sibakulu Trading (Pty) Ltd
1.	Total Contract Value of bid	R 6 451 489,80
2.	15% of total contract value	R 981 223,47
3.	Estimated expenditure	R708 194,15

The current contract expires on 30 June 2026, but we would like to extend it on a monthly basis until we successfully appointed new service provider as we already have followed a competitive process and the bid is awaiting final approval by Bid Adjudication Committee which is currently scheduled for Wednesday, 01 July 2026.

The previous copiers was awarded to Konica Minolta and the 1 copier and duplicator were awarded to Sky Metro Equipment and the expiry dates of contracts differ with one month. Contract will now be awarded to 1 service provider but we want copiers to be implemented on 1 day to ensure that both service providers can pick up and install the copiers without hampering service delivery to Municipality. Therefore we want to extend the contract of Konica Minolta with 2 months (1 July until 30 August 2026) and Sky Metro from 01 August until 30 August with 1 month to ensure that bidders can remove their copiers and successful bidder deliver and install new copiers before 1 September 2026.

#	Amendment	Actual Value Konica Minolta	Actual Value Konica Minolta Sky
4.	Total Contract Value of bid from 1 July 2023 until 29 June 2026	R 2 521 576,77	R 723 865,05
5.	15% of total contract value	R 378 236,52	R 108 579,75
6.	Estimated expenditure for 2 months (Rental R52 887,33 + R14 099,26 Printing = R66 986,59*2 Months) (R8452+R5996,52)	R 133 973,18	R14 448.52

❖ **Contract Register**

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.

Updated Contract register for 2025/2026 financial year are attached as **Annexure D** for perusal.

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 1 331 402.16,68** as a result of contracts that were used though they have already expired, see **Annexure E** for details.

7. LOGISTICS MANAGEMENT

We had our annual inventory count of the end of financial year on 30 June 2026. As at 30 June 2026, the value of inventory at the municipal stores amounted to **R 4 144 019.53** for the 2025/26 financial year no surpluses, no deficits and no damaged stock items were reported.

8. 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.

SPothberg
……………
Prepared by: Mrs. S.A Pothberg
Senior Practitioner: Supply Chain Management

……………………
Reviewed: Mr. B Damon
Acting Manager: Supply Chain Management

……………….
Approved by: Mr B Jacobs
Director: Financial Services

BEAUFORT WEST MUNICIPALITY

Annexure A- Awards to close family members of perspons in the service of the state for the 4th Quarter - 01 April - 30 June 2026

Business	Date	Reference	Amount	Interest
BB Sweiswerke	19/06/2026	ORD-13616/INV6144	R 28 320,00	Son, Mr. Du Plessis, employed at Education Department
	27/02/2026	PI02/27/00042786/2025-2026	R 12 045,00	
Q&K Projects	24/04/2025	PI04/24/00043369/2025-2026	R 22 873,50	Brothers (Mr C and E De Wee) are employed at Education Department and Transnet
	29/04/2025	PI05/27/00043731/2025-2026	R 25 685,25	and Sister, Ms L De Wee, currently employed at SAPS
Anne's Deli	19/05/2026	ORD-13452	R 2 500,00	Spouse, Mr Stoffels, currently employed at Department of Education
TOTAL AMOUNT			**R 91 423,75**	

BEAUFORT WEST MUNICIPALITY

Annexure B - Deviations awarded for the 4th Quarter - 01 April - 30 June 2026

Applicable Paragraph in SCM Policy		Supplier	Amount	Date	Reference	Directorate	Reason for Deviation
(b)	Sole Supplier	Quidity	R 12 792,00	24/04/2026	PI04/24/00043368/2025-	Corporate Services	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
			R 12 792,00	27/05/2026	PI05/27/00043735/2025-		
			R 12 792,00	26/06/2026	PI06/26/00044038/2025-		
		Office Technology brokers	R 273 438,36	05/03/2026	ORD-11567	Finance	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 muncipality 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.
		City Lodge Hotel	R 34 500,00	17/04/2026	PI04/14/00043301/2025-	Finance	The Council/Mayor were invited to attend the National Local Economic Submit that was hosted by the Department of Small Business Development and will be addressed by his excellency President Cyril Ramaphosa. 3 Quotations were requested but due to insufficient timing we were unable to follow formal quotation process for accommodation for Mayor as cost were above R30 000 and we have to advertise for 7 days on website whilst SCM was not informed accordingly to do proper planning, and contract for travel agency lapse and new process were followed but not finalised yet for travel agency.
(d)(vi)	Any other exceptional case where it is impractical or impossible to follow the official procurement processes,including:	Inzalo EMS	R 3 599 269,00	30/06/2026		Finance	Curremtly it is impractical for start a SCM competitive bidding process as the Municipality rely on a financial management system. Hence, extending the existing Master Agreement with Inzalo Financial Systems for a year tas a solution of an intervention, while Municipality seeks guidance to follow competetive process for Financial Management System.
TOTAL AMOUNT OF DEVIATIONS			R 3 945 583,36				
TOTAL QUANTITY DEVIATION			4				

BEAUFORT WEST MUNICIPALITY

Annexure C-Formal quotations and tenders awarded awarded for the 4th Quarter - 01 April - 30 June 2026

Bid #	Description	Awarded to	Bid Amount	BBBEE Level	Award date	Award by
Formal quotations with value R 30 000 until R300 000						
Order 13633	Supply and Delivery of Material and Equipment for Needlework Project	Agnes Stoffels T/A Harmony Events	R 197 568,18	1	29/06/2026	Acting S Philander-Pietersen
SCM 34/2026	Supply and Delivery of Bakery Equipment	Bidvest Industrial (Pty) Ltd	R 212 676,40	1	27/05/2026	
SCM 40/2026	Supply and Delivery of Software Licenses	AIEQ Systems (Pty) Ltd	R 150 132,50	1	22/05/2026	
SCM 40/2026-Order-13576	Supply and Delivery of Software Licenses-Extension		R 6 670,00		05/06/2026	
SCM 46/2026	Supply and Delivery of Equipment for Kwa-Mandlenkosi Library	1. Hurrican Civils & Maintenance	R 30 000,00	1	29/05/2026	AC Makendlana
		2. Sincede General Workers	R 72 900,00	1		
		3. Endikairo Holdings (Pty) Ltd	R 134 453,00	1		
Total			R 804 400,08			
Competetive bids with value R 300 000≤						
SCM 08/2026	Appointment of a Panel of Accredited Training Service Providers for the Beaufort West Municipality	1. Avenidatraining Academy		1	28/05/2026	
		2. Mortalboard Solutions		1		
		3. Fachs Business Consulting & Training		1		
		4. Kg Business Development		1		
		5. Bab Developers (Pty) Ltd		1		
		6. Ilinge Labantu Debt Solutions Cc/Ta		1		
		7. Institute Of Bio Researching Auditing and Training		1		
		8. Eastc Technocentric Varsity (Pty) Ltd		1		
		9. Tonex Management Solutions		1		
		10. Mwelasa (Pty) Ltd		1		
		11. Trainers Without Borders		1		
		12. South African Value Education (Pty) Ltd		2		
		13. Bantubanye Skills		1		
		14. Summat Training Institute (Pty) Ltd		1		
		15. Vumilia Africa Group		1		
		16. Mk People Skills (Pty) Ltd	Tariff	1		
SCM 15/2026	Supply and Delivery of Tyres, Tubes, Wheel Aligment and Tyre Repair Services for a Period of three years	* WLC Tyres and Fleet Solutions (Pty) Ltd		4	01/04/2026	
		* Deak Rubber Tread CC T/A Tyremart	Tariff	N/C		
SCM 23/2026	Resurfacing of two Netball Courts in Murraysburg	Nkutwala Construction (Pty) Ltd	R 1 100 000,00	1	02/04/2026	
SCM 30/2026	Supply, Delivery, Installation, Maintenance and Financing of Office Automation Equipment for a 3 year period	Zestirox (Pty) Ltd T/A Nashua George	R 4 773 382,52	3	06/07/2026	
SCM 32/2026	Design, Supply and Installation of Mechanical & Electircal works for the upgrading of the Beaufort West wastewater treatment works	Inenzo De Jagers JV De Jagers Loodgieters Edm	R 19 366 916,87	1	14/07/2026	
SCM 35/2026	Supply, Maintenance, Repair and Calibration of Digital Speed Cameras, Recording Equipment and the administration of a back office for a period of three (3) years	Total Computer Services	Tariff	4	06/07/2026	
SCM 41/2026	Three-Year Maintenance and Upgrading of Mechanical and Electrical Installations: Boreholes, Pump Stations and Buildings	TG Elektries	R 648 921,96	2	14/07/2026	
SCM 44/2026	Upgrading of Gravel Roads: Rev Fass Street (Kwa-Mandlenkosi)	Benver Civils & Plant Hire	R 4 673 343,70	1	06/07/2026	
Total			R 30 562 565,05			
Extension of Contracts						
SCM 01/2023	Supply, delivery, installation, maintenance and financing of office automation equipment for a 3 year period	Konica Minolta (Pty) Ltd	R 133 973,18	1	29/06/2026	Acting S Philander-Pietersen
SCM 70/2023	equipment for a 3 year period	Sky Metro Equipment (Pty) Ltd	R 14 448,52	1		
SCM 30/2026	Provision of security services for a period of twelve (12) months	Sibakulu Trading (Pty) Ltd	R 708 194,15	1	19/06/2026	Acting Accounting Officer-G Esau
Total			R 856 615,85			

BEAUFORT WEST MUNICIPALITY

Annexure E - Expenditure of Irregular Contracts for the 4th Quarter - 01 April - 30 June 2026

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 32 165,60	PI04/22/00043348/2025-2026	22/04/2026	01/06/2021	01/05/2019	Contract extended beyond contract period.
		Nedfleet	R 198 827,06	PI04/29/00043426/2025-2026	29/04/2026			
			R 267 498,75	PI06/01/00043849/2025-2026	01/06/2026			
			R 276 694,68	PI06/30/00044120/2025-2026	30/06/2026			
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 56 416,93	PI04/09/00043260/2025-2026	09/04/2026	13/04/2023	12/04/2026	
			R 55 638,15	PI05/21/00043682/2025-2026	21/05/2026			
			R 54 124,75	PI06/04/00043879/2025-2026	04/06/2026			
SCM 26/2023	SCM 26/2023 -Request for Proposals: Service Providers for Implementing Skills Development Programme for Training: Chemical Operation Level 2, 3 And 4 For Three Year Period	BAB Developers (PTY) Ltd	R 108 000,00	PI04/28/00043410/2025-2026	28/04/2026	03/03/2023	02/03/2026	
			R 28 800,00	PI04/28/00043411/2025-2026	28/04/2026			
SCM 66/2023	Provision of Comprehensive Banking Services	Nedbank	R 98 928,77	Bank charges-01 April -30 June 2026		12/07/2023	2028/11/07	Identified as irregular previously by AG. Advertisement not shorter than prescribed period advertised
		Merch D-Bank card machine charges-01 April-30 June 2025	40231,14	PI04/01/00043228/2025-2026	01/04/2026			
			35810,12	PI05/06/00043596/2025-2026	06/05/2026			
			37046,15	PI06/01/00043852/2025-2026	01/06/2026			
			41220,06	PI07/02/00044123/2025-2026	02/07/2026			
Total			**R 1 331 402,16**					