

Section 2: Finance

ITEM C/2/214/02/21

REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE 2ND QUARTER 01 OCTOBER TO 31 DECEMBER 2020

Directorate: Finance
Portfolio Comm: Finance & Engineering
Demarcation: All Wards
Delegation: Council

File Ref: 8/1/5/5/2

Attachments: Annexure A: Comparative Tender Opening Schedule
Annexure B: Schedule of Procurement Process Timeline
Annexure C: Tender Awards
Annexure D: Potential Irregular Expenditure Incurred for the period
01 October 2020-31 December 2020

Report from: Director: Financial Services

Author: Acting Manager: Supply Chain Management

Date: 22 January 2021

1. Purpose of the report

- 1.1. Report on the Implementation of the Supply Chain Management Policy, for the 2nd Quarter, 01 October – December 2020 of the 2020/21 financial year.

2. Background

- 2.1. The Local Government: Municipal Finance Management Act, No 56 of 2003, requires the Municipality to have and implement a Supply Chain Management Policy, which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with ‘Supply Chain Management’.
- 2.2. On May 30, 2005 the Municipal Supply Chain Management Regulations were promulgated. Council, on December 14, 2005 at a legally constituted Council meeting approved the Bitou Municipality Supply Chain Management Policy in terms of these Regulations. The SCM Policy have been reviewed regularly with the last review approved on 31 May 2019.
- 2.3. Section 117 of the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders. The SCM Policy requires per Section 6 that Council have an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with the SCM Regulations and the Bitou Local Municipality Supply Chain Management Policy (SCM Policy).
- 2.4. Section 6(3) of the SCM Policy requires that the Accounting Officer submit a quarterly report on the implementation of the Supply Chain Management Policy to the Executive Mayor.
- 2.5. Irregular expenditure is defined in section 1 of the MFMA as follows:
“Irregular expenditure”, in relation to a municipality or municipal entity, means—

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(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 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”.

2.6. The report contains information about operational activities within the Supply Chain Management Division and includes references of Tenders and Formal Written Price Quotations Awarded, as well as Deviations from the SCM Policy, considered and approved by the delegated officials for the 2nd Quarter of the 2020/21 financial year.

2.7. The report also contains information about Potential Irregular Expenditure as identified, for the period 01 October until 31 December 2020.

3. **Tenders Awarded: Competitive Bidding for all Contracts valued more than R 200 000**

3.1. The competitive bidding process and bid committee structures are functioning effectively. The Bid Committees are composed of the following members:

#	Committee	Composition & Function
1.	Bid Specification Committee- BSC	The appointed chairperson, the project manager and a Senior SCM Practitioner- Considers tender specifications and approve or recommend for approval to the relevant Director.
2.	Bid Evaluation Committee- BEC	The project manager, a Senior SCM Practitioner and any other Manager- Considers tender evaluation reports and makes recommendations to the BAC
3.	Bid Adjudication Committee- BAC	At least 3 Directors and a Senior SCM Practitioner, with the CFO as Chairperson. (Not the same SCM Practitioner as BEC)- Considers recommendations from the BEC and make awards or recommend to the MM to award if R 10 million and more.

3.2. Members of the bid committees are required to declare to undertake the following:

3.2.1. That all information, documentation and decisions regarding any matter before the committee is confidential and undertakes not to make known anything in this regard;

3.2.2. To treat all service providers and potential service providers equitably and will not purposefully favour or prejudice anybody; and

3.2.3. To make known details of any private or business interest he or she or any close family member, partner or associate may have in any proposed procurement or

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disposal of, or in any award or contract that they will immediately withdraw from participating in any matter whatsoever.

- 3.3. The members of the Bid Committees have duly undertaken to uphold the confidentiality, to be fair in all dealings and to declare their personal interests, if any. None of the members had conflicts of interest to declare.

4. Tender Awards

- 4.1. The tender awards made for the reporting period are valued at approximately

R 186,801,359.48 *(Incl. VAT) for 15 Tenders awarded by duly delegated Bid Adjudication Committees or the Accounting Officer for tenders valued in excess of R 200 000.

TENDERS AWARDED DURING THE 2020/21 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2020 –2 nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/2020/45/ENG	Construction of Civil Engineering for Ebenezer	Essa O/ Maki F	2020/10/23	SC Housing (Pty) Ltd t/a S Colarossi Housing & Civils	1	R 36,331,826.95
2	SCM/2020/52/COMM	Provision of Banking Services	Maredi N	2020/11/02	The Standard Bank of South Africa Ltd	2	R 1,315,547.72
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE; LAND TRANSACTIONS; LITIGATION; LEGISLATION; GENERAL	Loliwe L	2020/11/13	SA Dingi Attorneys	1	R 3,000,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE; LAND TRANSACTIONSS; LITIGATION; LEGISLATION; GENERAL	Loliwe L	2020/11/13	Tsotso & Associates Inc	1	R 3,000,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE; LAND TRANSACTIONS; LITIGATION; LEGISLATION; GENERAL	Loliwe L	2020/11/13	Musetsho & Associates	1	R 3,000,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE; LAND TRANSACTIONS; LITIGATION; CONVEYANCING;	Loliwe L	2020/11/13	Siyathemba Sokutu Attorneys Inc	1	R 3,000,000.00

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		LEGISLATION ; GENERAL						
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Mvana & Associates Inc	1	R	3,000,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Lulama Prince Inc	0	R	3,450,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	HDRS Attorneys Inc	4	R	3,000,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Regan Brown Inc	1	R	3,450,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; GENERAL	Loliwe L	2020/11/13	Bowes Loon & Connellan Inc	1	R	3,450,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Boqwana Burns Inc	1	R	3,450,000.00

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3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Lizel Venter Attorneys	4	R	3,450,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Mosdell Pama Cox Plettenberg Bay Inc	0	R	3,450,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS	Loliwe L	2020/11/13	Magqabi Seth Zita Attorneys	1	R	3,000,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	A Adriaans Incorporated t/a Adriaans Attorneys	1	R	3,450,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	V. Derrocks Inc	0	R	3,450,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE ; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Nandi Bulabula Inc	1	R	3,000,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - CORPORATE; LAND TRANSACTIONS ; LITIGATION ; CONVEYANCING ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Mabheshwana & Associates	1	R	3,000,000.00
3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - LAND TRANSACTIONS; CONVEYANCING ; LITIGATION ; LEGISLATION ; GENERAL	Loliwe L	2020/11/13	Logan Martin Inc	4	R	3,450,000.00

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3	SCM/2020/63/CORP	Provision of Legal Services for a Contract period ending 30 June 2023 - LITIGATION ; CONVEYANCING	Loliwe L	2020/11/13	Pagdens Incorporated	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES ; ELECTRICAL ; SOLID WASTE	Maki F	2020/11/13	SMEC South Africa (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT	Maki F	2020/11/13	Nextec Industrial Technologies (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; STRUCTURAL	Maki F	2020/11/13	Urban Engineering (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES ; STRUCTURAL	Maki F	2020/11/13	TMS Consulting Engineers and Project Management CC	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES ; STRUCTURAL ; ELECTRICAL ; MECHANICAL ; SOLID WASTE	Maki F	2020/11/13	Zutari (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES	Maki F	2020/11/13	O W S Civils (Pty) Ltd and EAS Joint Venture	1	R	3,000,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES	Maki F	2020/11/13	ETL (Pty) Ltd t/a ETL Consulting	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES ; ELECTRICAL	Maki F	2020/11/13	ILISO Consulting (Pty) Ltd t/a Nako Iliso	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES ; ELECTRICAL ; MECHANICAL ; SOLID WASTE	Maki F	2020/11/13	Neil Lyners and Associates (RF) (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES ; STRUCTURAL	Maki F	2020/11/13	Sky High Consulting Engineers CC	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023	Maki F	2020/11/13	Imbawula Civil Projects (Pty) Ltd	1	R	3,450,000.00

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4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES ; SOLID WASTE	Maki F	2020/11/13	Lukhozi Consulting Engineers (Pty) Ltd	2	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES	Maki F	2020/11/13	Mariswe (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT	Maki F	2020/11/13	Buchule Engineers (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT ; WATER SERVICES	Maki F	2020/11/13	Ziinzame Consulting Engineers (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - STRUCTURAL	Maki F	2020/11/13	Akibar Trading and Projects	1	R	3,000,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - ELECTRICAL ; MECHANICAL	Maki F	2020/11/13	Clinkscales Maughan Brown (South) (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - WATER SERVICES ; SOLID WASTE	Maki F	2020/11/13	GIBB (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - TRANSPORT	Maki F	2020/11/13	Imbawula Civil Projects (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - WATER SERVICES	Maki F	2020/11/13	Proper Consulting Engineers (Pty) Ltd	1	R	3,450,000.00
4	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023 - STRUCTURAL	Maki F	2020/11/13	Tuinqua (Pty) Ltd	4	R	3,450,000.00
5	SCM/2020/01/ENG	Supply & Delivery of Executive Vehicles	Sunkar S	2020/11/06	Standard Bank Fleet Management a Division of Standard Bank South Africa	0	R	444,689.28
6	SCM/2021/03/COMM	Provision of Hygiene & Pest Control Services	Siko M	2020/12/18	Bidvest Services (Pty) Ltd t/a Bidvest Steiner George	3	R	994,750.00
7	SCM/2021/04/FIN	Rental of Storage & Office Containers	Casa P	2020/12/11	Ravenswood Trading and Investments CC t/a JCE Containers	0	R	352,500.00

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8	SCM/2021/06/ENG	Operational & Maintenance of Desalination Plant	Samuel F	2020/11/02	Quality Filtration Systems (Pty) Ltd	0	R	5,531,619.56
9	SCM/2021/08/COMM	Supply & Delivery of Traffic Uniforms	Ganga S	2020/12/11	Sparks & Ellis (Pty) Ltd	1	R	439,105.33
9	SCM/2021/08/COMM	Supply & Delivery of Traffic Uniforms	Ganga S	2020/12/11	Imvelo Centrics (Pty) Ltd	1	R	376,097.36
9	SCM/2021/08/COMM	Supply & Delivery of Traffic Uniforms	Ganga S	2020/12/11	Uhambo Procurement & Distribution CC	1	R	109,761.52
10	SCM/2021/10/COMM	Supply & Delivery of Road Signs	Ganga S	2020/12/11	Southern Ambition 1281 CC t/a Nu Way Enterprises	1	R	220,500.00
10	SCM/2021/10/COMM	Supply & Delivery of Road Signs	Ganga S	2020/12/11	Kohler Signs (Pty) Ltd	1	R	56,820.00
10	SCM/2021/10/COMM	Supply & Delivery of Road Signs	Ganga S	2020/12/11	Setlatlapi Business Enterprise (Pty) Ltd	0	R	151,735.00
11	SCM/2021/11/ENG	UTFC-NCRT Resurfacing of Roads in Plettenberg Bay	Dietzsch P	2020/12/04	Actophambili Roads (Pty) Ltd	1	R	1,186,667.75
12	SCM/2021/15/ENG	Supply & Delivery of ARC Flash Secondary Protective Clothing For All Personnel Working on the LV, MV & Electrical Networks	Cupido J	2020/12/18	At Work Health and Safety CC	1	R	994,750.00
12	SCM/2021/15/ENG	Supply & Delivery of ARC Flash Secondary Protective Clothing For All Personnel Working on the LV, MV & Electrical Networks	Cupido J	2020/12/18	Imvelo Centrics (Pty) Ltd	1	R	500,250.00
13	SCM/2021/16/ENG	Construction Health & Safety Services for multi-year period ending June 2023	Maki F	2020/12/04	Mzamo and Mzamo Safety Health and Environmental Consultants CC t/a M2SHE Consult	1	R	1,518,575.00
14	SCM/2021/19/FIN	Provision of Auctioneering Services	Casa P	2020/12/18	Riley Auctioneers (Pty) Ltd	1	R	42,837.50

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15	SCM/2021/31/MM	Preparation and implementation of Bitou Vision 2040	Gericke L	2020/12/21	Proudafrique Trading 0004 (Pty) Ltd t/a Powerhouse Strategies	4	R	3,183,326.50
						TOTAL:	R	186,801,359.48

4.2. We also report in terms of all contracts awarded as follows:

4.2.1. B-BBEE compliant enterprises

4.2.2. Enterprises within the Bitou Municipality Area

4.2.3. B-BBEE Enterprises within the Bitou Municipality Area

4.3. The schedule compares the results with that of the previous financial year as well as the year-to-date, as follows:

#	Description	2 nd Quarter 2020/21	2 nd Quarter 2019/20
	Tenders Awarded	15	19
	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed as a result of the tenders awarded)	58	18
	Estimated Value of Tenders Awarded	R186,801,359.48	R 26 214 213.51
	Number of Appeals Received	3	0
	Number of Appeals in Progress	2	0
	Number of successful appeals	0	0
	Number of Contracts Awarded to B-BBEE Enterprises	50	14
	Value of Contracts Awarded to B-BBEE Enterprises	R 169 970 815.64	R 23 567 902.98
	% of Contracts Awarded to B-BBEE Enterprises	91%	89.91%
	Number of Contracts Awarded to Enterprises based in the Bitou Municipality Area	3	10
	Value of Contracts Awarded to Enterprises based in the Bitou Municipality Area	R 9 450 000.00	R 1 532 096.04
	% of Contracts Awarded to Enterprises based in the Bitou Municipality Area vs All Contracts	5.33 %	5.84%
	Sub-Contracts to Local SMME's	R2 680 000.00	R 1 260 900.00

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#	Description	2 nd Quarter 2020/21	2 nd Quarter 2019/20
	% of Contracts & Sub-Contracts Awarded to Local SMME's vs All Contracts	6.49%	30%

4.4. All tenders are opened in public and the results of the opening are recorded in a Bid Opening Register and placed on the Municipal Website. A schedule attached as **Annexure B**, details the tenders opened and awarded versus the unsuccessful competitive bids as per additional Council oversight request.

5. Procurement Process Timeline

SCM Performance is also measured in the turn-around time for a procurement process. This can be either a target of 30 days for a regular tender process with a 14-day advertisement period or 45 days for a tender advertised for 30 days. A schedule is attached as **Annexure A** indicating the timelines for a full procurement cycle underlying each tender award, in terms of the following criteria:

#	Description of Measurement Criteria per Tender	Average Calendar Days- 2020/21- Q2	Average Calendar Days- 2019/20 Q4
1.	Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC)- Full Procurement Cycle	124	165
2.	Average Calendar Days from Tender Advertisement Date to BAC	107	136
3.	Average Calendar Days from Tender Closing Date to BAC	85	119
4.	Average Calendar Days from Tender Closing Date to BEC- Tender Evaluation	77	104
5.	Tender with Fastest Procurement Process: BSC to BAC	61	78
6.	Tender with Longest Procurement Process: BSC to BAC	345	211

6. Formal Written Price Quotations for R 30 000 up to R 200 000

6.1. The procurement of Formal Written Price Quotations have been streamlined by obviating the need for Bid Specification and Evaluation Committees before a Director could make an award. This change was made in order to improve the turnaround time for procurement.

6.2. Sixteen (16) RFQ's were awarded by Directors in terms of their delegated authority for a total value of R **1,863,785.98** as follows:

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REQUESTS FOR QUOTATIONS AWARDED DURING THE 2020/21 FINANCIAL YEAR FOR THE PERIOD 01 October TO 31 December 2020- 2 nd QUARTER					
RFQ NUMBER	DESCRIPTION	PROJECT MANAGER	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
SCM/RFQ/2021/014/CORP	Provision of Occupational Functional Capacity Evaluation	Cunningham V	Dominique Van Wyk t/a Dominique Van Wyk Occupational Therapist	0	R 200,000.00
SCM/RFQ/2021/019/COMM	Provision of Cutting Trees	Basson J	Chris Manuel Maintenance CC	1	R 185,000.00
SCM/RFQ/2021/023/ENG	Supply and delivery of Bacteriological Testing equipment for Water Analysis	Tarentaal R	Memotek Trading CC	1	R 120,283.57
SCM/RFQ/2021/025/COMM	Supply Installation of Aluminium Doors and Windows at Simunye	Namntu M	Misuyolo (Pty) Ltd	1	R 172,650.00
SCM/RFQ/2021/026/FIN	Supply and Delivery of Cleaning Material, As And When Needed	Davids V	Seaview Plumbing Supplies CC t/a Vision Plumbing and Supplies	4	R 199,998.80
SCM/RFQ/2021/028/FIN	Supply and Delivery of Electrical Material, As And When Needed	Davids V	Memotek Trading CC	1	R 199,998.80
SCM/RFQ/2021/029/FIN	Supply and Delivery of Machine Equipment, As And When Needed	Davids V	Kingpin Suppliers (Pty) Ltd	0	R 69,000.00
SCM/RFQ/2021/029/FIN	Supply and Delivery of Machine Equipment, As And When Needed	Davids V	Memotek Trading CC	1	R 69,000.00
SCM/RFQ/2021/029/FIN	Supply and Delivery of Machine Equipment, As And When Needed	Davids V	EMR Projects (Pty) Ltd	0	R 61,999.00
SCM/RFQ/2021/034/CORP	Provision of BarnOwl User License Maintenance	Lewis G	IDI Technology Solutions (Pty) Ltd	0	R 199,999.87
SCM/RFQ/2021/035/COMM	Maintenance of Kranshoek Library	Twani T	Misuyolo (Pty) Ltd	1	R 50,532.75
SCM/RFQ/2021/038/COMM	Collection of Recyclable Materials	Baartman D	Masiqhame Trading 672 CC	0	R 199,500.00
SCM/RFQ/2021/039/ENG	Fault under Ground Cable Location at Bitou Area of Supply	Kwampa M	MDL Engineering Company (Pty) Ltd t/a MDL Electrical	1	R 65,700.00
SCM/RFQ/2021/041/CORP	Provision of Certification: Use Tools and Operate Equipment in an Environmentally Responsible Manner	P Sebezo	Kagisho Business Concepts (Pty) Ltd	1	R 160,000.00

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SCM/RFQ/2021/042/EDP	Development of an Implementation Plan and Budget to implement the History Festival in February 2021History Festival	Jacobs L	Plett X109 (Pty) Ltd t/a Sean O'Connell	4	R	195,000.00
SCM/RFQ/2021/043/COMM	Repairs and Maintenance of Small Plant & Machinery	Basson J	The Cut N Mow Specialists (Pty) Ltd t/a George Lawnmowers & Chainsaws	2	R	199,999.99
SCM/RFQ/2021/044/CORP	Publication of Municipal Recruitment Advertisements	Cunningham	Ayanda Mbanga Communications (Pty) Ltd t/a AMComms the-can-do company	1	R	199,999.99
SCM/RFQ/2021/045/COMM	Repairs & Maintenance Communal Toilets in the Informal Residential Areas: Qolweni; Pine Tree ; Bossiesgif & Zawa-zawa	Rwayi O	Kibi Trading and Projects (Pty) Ltd	0	R	153,305.58
SCM/RFQ/2021/045/COMM	Repairs & Maintenance Communal Toilets in the Informal Residential Areas: Kwanokuthula & Kranshoek	Rwayi O	Kuaco Group (Pty) Ltd	0	R	39,750.00
TOTAL:					R	1,863,785.98

6.3. The average time for processing was 33 days, which has increased compared quarter 1 2020/2021 (27 days). The target is 10 days. Some delays have been experienced in the SCM Office with the drafting of evaluation reports after the closing and opening of RFQ's. Also taking into account the number of personnel the SCM Office is currently operating with. There are currently 4 Vacancies in the SCM Unit which are not yet filled. However, the confirmation of technical evaluations and the recommendation to award by the project manager to the responsible Director is taking longer than expected.

7. Deviations from the SCM Policy

7.1. Section 36(1) of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement processes under certain circumstances. During the 2nd Quarter of the 2020/21 financial year, 5 deviations were considered and approved to the value of **R197 012.63** as follows.

DEVIATIONS APPROVED DURING THE 2020 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 December 2020- 2 nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
01	2020/10/08	Bester H	Exceptional	CIGFARO is hosting a Virtual Annual Conference 19-23 October 2020. CIGFARO is the professional body for all information workers and Interest groups. CIGFARO is the only Institute of Environment and Recreation Management providing the Conference annually.	CIGFARO	R 2,748.01
02	2020/10/08	Prins J.	Exceptional	WESSA is the only service provider for the registration of Blue Flag Beaches. Beaches are Robberg 5, Keurboomstrand, Natures Valley, Lookout Beach, The Dunes and Singing Kettle. It is therefore requested that the Chief Financial	WESSA – BLUE FLAG	R 160,271.99

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DEVIATIONS APPROVED DURING THE 2020 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 December 2020- 2 nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
				Officer considers the deviation from the SCM Policy.		
03	2020/11/06	Cupido J	Exceptional	<p>Bitou Municipality procured a Thumper during the 2016/17 financial year. This was to ensure that whenever an underground cable becomes faulty, the device would assist with pointing the exact location of the cable faulty. The cable becomes faulty due to various reasons that causes power outages on individual customers or large areas are affected. This leads to customers being left without electricity or having longer downtime than that accepted by NERSA or NRS 048 as per condition of distribution of license or quality of supply. Digging by hands to try to locate the faulty part of the cable is impractical and replacing the whole length and cable is expensive. The most economical and feasible way to restore the power is to use the Thumpering machine to locate the cable fault. The Thumper that the department have been using has become faulty. The electrical manager has tried various contractors within the industry to see if they can assist with fixing the thumper, but to no avail. It was discovered that only the supplier, which is HV Tests, could strip and quote the electrical thumper as an authorized repairer. Reference to deviation dated 07/09/2020. The Electrical Department did not know what was wrong with the equipment; the supplier had to inspect the unit to define what was faulty. The service provider has identified the fault and quoted accordingly. The department received a quote on the 28th of October 2020. The service provider can only commence with the repairs when they get the purchase order. The Bitou Municipal Workshop don't have the required tools to repair the gearbox. Emergency works needs to be outsourced.</p>	HV Test Repairs and Calibrations (Pty) Ltd	R 15,847.61
04	2020/11/06	Sunkar S.	Exceptional	<p>The vehicle CX 32801 needs to be sent to a gearbox specialist in order to repair the gearbox and get the electrician mobile in order to carry out his daily electrical duties. This is an essential working bakkie and we cannot compromise service delivery. The tender process SCM/2020/75/ENG: Maintenance of LDVs Vehicles and other machine was published on 15 June 2020 and closed on 29 June 2020; however no responsive bids were received, the tender has tabled this</p>	Gearbox & Diff Centre	R 15,701.27

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DEVIATIONS APPROVED DURING THE 2020 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 December 2020- 2 nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
				item for Bid Specification Committee process.		
05	2020/11/06	Namntu A	Exceptional	The Eden FM will be launching their Summer Alive Campaign for December 2020 in Plettenberg Bay, broadcasting live between 12h00 and 15h00. Thus requesting that we take part in this live broadcast, which will also present us with an opportunity to show case and sell our brand as the municipality and town. They are the only Radio Station who presented this opportunity and with their listenership that has over 189 000 people that cover areas from Swellendam, Plettenberg Bay, Oudtshoorn, Uniondale and Ladismith and many more towns. This will enable us to broadcast our key tourism events and products during the festive season. In doing so we will be able to attract more visitors and this could lead to more job opportunities and an increase in other economic areas.	NLI Events and Marketing (Pty) Ltd	R 2,443.75
					TOTAL	R 197,012.63

7.2. Deviations were approved in the following categories provided for in terms of Section 36(1) of the SCM Policy versus total deviations processed for the 2020/21 financial year:

Section from SCM Policy	Categories	Value (R) of Deviations Approved	
		Q2: 2020/21	Q4: 2019/20
36(1)(a)(i)	In an emergency which is considered an unforeseeable and sudden event with materially harmful or potentially materially harmful consequences for the municipality which requires urgent action to address	R0	R 8 668.03
36(1)(a)(ii)	Where it can be demonstrated that goods or services are produced or available from a single provider only	R0	R 0
36(1)(a)(v)	Exceptional case and it is impractical or impossible to follow the official procurement processes	R197,012.63	R 0
	Total	R197,012.63	R 8 668.03

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7.3. The applications for deviations are monitored continuously in an attempt to reduce the incidents and competitive bidding processes are instituted immediately upon identification of recurring deviations, wherever possible.

7.4. Bids with no specifications received from Project Managers

The following Capital Projects, SCM had not received bid specifications from the project managers even after numerous communication to the departments; these will stand-over to Quarter.

Description	Project Manager	Department	Budget 2020/21	BSC	Advert Date	Closing Date	BEC	BAC
KURLAND: NEW ROADS	Stuurman F.	ENG	R4,450,000.00	8-Jul-20	21-Aug-20	25-Sep-20	1-Oct-20	9-Oct-20
KURLAND: NEW SEWER	Stuurman F.	ENG	R3,200,000.00	2-Sep-20	11-Sep-20	25-Sep-20	1-Oct-20	9-Oct-20
ERF 4367 (SHELL): NEW SEWER	Stuurman F.	ENG	R1,500,000.00	2-Sep-20	11-Sep-20	25-Sep-20	1-Oct-20	9-Oct-20
KURLAND: UPGRADE WTW	Samuels F.	ENG	R1,000,000.00	16-Sep-20	25-Sep-20	9-Oct-20	15-Oct-20	23-Oct-20
KURLAND: NEW WATER	Stuurman F.	ENG	R1,350,000.00	16-Sep-20	25-Sep-20	9-Oct-20	15-Oct-20	23-Oct-20
ERF 4367 (SHELL): NEW WATER	Stuurman F.	ENG	R500,000.00	16-Sep-20	25-Sep-20	9-Oct-20	15-Oct-20	23-Oct-20
QOLWENI CULTURAL VILLAGE	Maki F.	COMM	R1,739,130.00	23-Sep-20	2-Oct-20	16-Oct-20	22-Oct-20	30-Oct-20
ERF 4367 (SHELL): NEW ROADS	Stuurman F.	ENG	R2,000,000.00	23-Sep-20	2-Oct-20	16-Oct-20	22-Oct-20	30-Oct-20
KWANO: UPGRADING OF ROADS	Maki F.	ENG	R3,700,000.00	30-Sep-20	9-Oct-20	23-Oct-20	29-Oct-20	6-Nov-20
HARKEVILLE COMMUNITY HALL	Siko M	COMM	R500,000.00	30-Sep-20	9-Oct-20	23-Oct-20	29-Oct-20	6-Nov-20
Informal Settlement	Samuel F.	ENG	R1,300,000.00	2-Sep-20	11-Sep-20	25-Sep-20	1-Oct-20	9-Oct-20
KURLAND: NEW ELECTRIFICATION	Cupido J.	ENG	R4,000,000.00	9-Sep-20	18-Sep-20	2-Oct-20	8-Oct-20	16-Oct-20
QOLWENI: NEW ELECTRIFICATION	Cupido J.	ENG	R 800,000.00	9-Sep-20	18-Sep-20	2-Oct-20	8-Oct-20	16-Oct-20
KURLAND: UPGRADE WTW	Samuel F.	ENG	R 1,000,000.00	16-Sep-20	25-Sep-20	9-Oct-20	15-Oct-20	23-Oct-20
KURLAND: NEW WATER	Samuel F.	ENG	R 1,350,000.00	16-Sep-20	25-Sep-20	9-Oct-20	15-Oct-20	23-Oct-20
ERF 156 DEMOLITION	Varnicker I.	EDP	R 2,500,000.00	30-Sep-20	9-Oct-20	23-Oct-20	29-Oct-20	6-Nov-20

7.5. Bid Specification Committee

The **Bid Specification Committee** has twenty eight (28) bids to consider on the Demand Management plan for 2020/2021 financial year.

We have experienced challenges receiving specifications from the project managers such that some bids had to be allocated to quarter. The online submissions has also created challenges for SCM as it requires seven (7) days for original submission of tenders.

7.6. Bid Evaluation & Adjudication Committees

The **Bid Evaluation & Adjudication Committees** has a backlog of thirteen (13) bids, a huge turn-up on responses was received in ONE bid “The Cleaning of Roads, SW Drains, Channels and Manholes in Residential Areas” the project manager are busy with functionality criteria evaluations at the time report was compiled. The following bids are at Evaluation and Adjudication stages respectively:

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#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	ACTUAL BSC	ACTUAL PUBLISH DATE OF TENDER	ACTUAL CLOSING DATE OF TENDER	NO OF BIDS RECEIVED	VALIDITY EXPIRY DATE	STATUS
1	SCM/2020/89/ENG	Upgrading of Bossiesgijf Sports Ground - Phase 2	Maki F	2020/09/16	2020/09/23	2020 10 09	7	2021 01 01	Request for cancellation/Validity expired
2	SCM/2021/09/COMM	Collection of Recyclable Waste	Baartman D	2020/09/09	2020/10/05	2020 10 19	4	2021 01 17	Project Manager technical report/sheets outstanding. Not ready for BEC
3	SCM/2021/14/ENG	Electrification of Various Areas over a 3 Year Period ending 30 June 2023	Cupido J	2020/09/16	2020/09/30	2020 10 30	8	2021 01 28	BAC referred back for further review by BEC
4	SCM/2021/17/CORP	Supply and delivery of Microsoft Tablets	Gresse G	16/9/2020	2020/10/05	2020 10 19	3	2021 01 17	Technical sheets received on 21 December 2020. Submit for BEC
5	SCM/2021/18/CORP	Wireless Network, Network, Biometric & UPS	Gresse G	2020/09/30	2020/10/09	2020 11 06	2	2021 02 04	Project Manager technical report/sheets outstanding. Not ready for BEC
6	SCM/2021/21/ENG	The Cleaning of Roads, SW Drains, Channels and Manholes in Residential Areas	Dietzsch P	2020/10/07	2020/10/16	2020 10 30	47	2021 01 28	Technical sheets received on 10 December 2020. Submit for BEC
7	SCM/2021/22/CORP	Provision of PMS Support and Web-Based Performance Management	Gresse G	2020/10/07	2020/10/16	2020 11 13	3	2021 02 11	Technical sheets received on 14 December 2020. Submit for BEC
8	SCM/2021/24/ENG	Cleaning of Sludge Dam at Ganse Valleï	Samuel F	2020/10/14	2020/10/23	2020 11 13	5	2021 02 11	Project Manager technical report/sheets outstanding. Not ready for BEC
9	SCM/2021/25/ENG	Supply and Delivery of Fire Fighting Equipment and Medical Supplies	Venter H	2020/10/14	2020/10/23	2020 11 13	6	2021 02 11	Technical sheets received on 06 January 2021. Submit for BEC
10	SCM/2021/28/CORP	Provision of Training for ICT Staff	Gresse G	2020/10/21	2020/10/30	2020 11 20	4	2021 02 18	Project Manager technical report/sheets outstanding. Not ready for BEC
11	SCM/2021/30/MM	Panel of Transaction Advisors to provide advisory services relating to Development projects, including (but not limited to) Feasibility studies, Sourcing of funding, Public Private Partnerships and Alternative funding models for a period of ending 30 June 2023	Gericke L	2020/10/21	2020/10/26	2020 11 20	11	2021 02 18	Project Manager technical report/sheets outstanding. Not ready for BEC
12	SCM/2021/36/ENG	Refurbishment of Chlorine Installations at	Samuel F	2020/11/11	2020/11/20	2020 12 04	1	2021 03 04	SCM still to issue Documents to Project Manager

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		Water and Wastewater Treatment Works							
13	SCM/2021/41/ENG	Renovation Existing Storerooms Into Habitable Residential Units and Remedial Works on 1 Existing Residential Unit at Ebenezer Municipal Farm.	Rwayi O	2020/11/18	27/12/2020	2020 12 17	4	2021 03 17	SCM still to issue Documents to Project Manager

8. Financial Implication

8.1. Financial implications are inherent in this financial report.

9. Executive Summary

- 9.1. Section 6(3) of the Bitou Supply Chain Management Policy (SCM Policy) requires that the Accounting Officer submit a quarterly report on the implementation of the Policy to the Executive Mayor.
- 9.2. This report contains performance information on Tenders and Formal Written Quotations Awarded, as well as Deviations from the SCM Policy, considered and approved by the delegated officials, for the 2nd Quarter, **01 October to 31 December 2020**, of the 2020/21 financial year.
- 9.3. This report also contains a record of Potential Irregular Expenditure as identified, for the period, **01 October to 31 December 2020**, of the 2020/21 financial year.

10. Relevant Legislation

- 10.1. Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003)
- 10.2. Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003): Municipal Supply Chain Management Regulations
- 10.3. Bitou Municipality Supply Chain Management & Preferential Procurement Policies

RECOMMENDED BY THE MUNICIPAL MANAGER

1. That Council notes the Supply Chain Management Implementation Report for the 2nd Quarter, 01 October to 31 December 2020, of the 2020/21 financial year in terms of Section 6(3) of the SCM Policy.
2. That Council recommends the Potential Irregular Expenditure for the period 01 October to 31 December 2020, to the Municipal Accounts Committee (MPAC) for further investigation and appropriate action.

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RECOMMENDED BY THE FINANCE AND ENGINEERING PORTFOLIO COMMITTEE

1. That Council notes the Supply Chain Management Implementation Report for the 2nd Quarter, 01 October to 31 December 2020, of the 2020/21 financial year in terms of Section 6(3) of the SCM Policy.
2. That Council recommends the Potential Irregular Expenditure for the period 01 October to 31 December 2020, to the Municipal Accounts Committee (MPAC) for further investigation and appropriate action.