

Section 2: Finance

ITEM C/2/198/10/20

REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE QUARTER 01 JULY TO 30 SEPTEMBER 2020

Directorate: Finance **Demarcation:** All Wards
Portfolio Comm: Finance & Engineering **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 July- September 2020
Annexure E: Procurement Plan for the 2020/21 financial year
Annexure F: Contract Register as at 30 June 2020
Annexure G: Bid Specification Committee Attendance Trend Analysis
Annexure H: Bid Evaluation Committee Attendance Trend Analysis
Annexure I: Bid Adjudication Committee Attendance Trend Analysis

Report from: Director: Financial Services

Author: Acting Manager: Supply Chain Management

Date: 02 October 2020

1. Purpose of the report

1.1. Report on the Implementation of the Supply Chain Management Policy, for the 1st Quarter, 01 July – September 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).

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- 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—
- (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 1st Quarter of the 2020/21 financial year.
- 2.7. The report also contains information about Potential Irregular Expenditure as identified, for the period 01 July till 30 September 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:

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TENDERS AWARDED DURING THE 2020/21 FINANCIAL YEAR FOR THE PERIOD 01 JULY TO 30 SEPTEMBER 2020 – 1 ST QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/2020/53/COMM	Construction of Decommissioning works for the Plettenberg Bay	Baartman D.	2020/08/21	SC Housing (Pty) Ltd t/a S Colarossi Housing & Civils	1	R 24 809 033.31
2	SCM/2020/60/FIN	Compilation of Valuation roll and Supplementary rolls maintenance	Daniels S.	2020/07/01	DDP Valuers (Pty) Ltd	1	R 2 411 405.00
3	SCM/2020/68/ENG	Upgrading of Gravel Roads in Kranshoek: Phase 3	Maki F.	2020/08/21	SC Housing (Pty) Ltd t/a S Colarossi Housing & Civils	1	R 14 094 626.37
4	SCM/2020/69/FIN	Printing & Distribution of Municipal Accounts, Notices & Newsletters	Daniels S.	2020/07/24	Mailtronic Direct Marketing Central (Pty) Ltd	1	R 757 732.38
5	SCM/2020/74/FIN	Supply & Delivery of Furniture: item 1 to 3; Item 26 to 42	Peters P.	2020/08/14	Esizwe Group cc	1	R 225 446.00
5	SCM/2020/74/FIN	Supply & Delivery of Furniture: Item 4 to 25	Peters P.	2020/08/14	Circuler Office Supplies and Printers cc t/a Valmac Office National	0	R 127 099.15
6	SCM/2020/77/COMM	Ebenezer Bulk Sewer Pipelines	Maki F.	2020/08/28	Entsha Henra (Pty) Ltd	1	R 1 993 342.05
7	SCM/2020/79/CORP	Provision of GIS Licenses	Gresse G.	2020/08/28	ESRI South Africa (Pty) Ltd	2	R 1 898 185.98
8	SCM/2020/81/COMM	Supply and Delivery of Law Enforcement Officers Uniforms	Vandala S.	2020/09/11	BlackBird Trading 480 cc	0	R 94 185.18
8	SCM/2020/81/COMM	Supply and Delivery of Law Enforcement Officers Uniforms	Vandala S.	2020/09/11	Sparks & Ellis (Pty) Ltd	1	R 215 981.22
8	SCM/2020/81/COMM	Supply and Delivery of Law Enforcement Officers Uniforms	Vandala S.	2020/09/11	Imvelo Centrics (Pty) Ltd	0	R 174 933.62
8	SCM/2020/81/COMM	Supply and Delivery of Law Enforcement Officers Uniforms	Vandala S.	2020/09/11	BBR Investment Holdings (Pty) Ltd	1	R 34 918.74
9	SCM/2020/82/COMM	Installation, Maintenance, Monitoring and Response of Security Alarm Systems	Vandala S.	2020/09/11	Smhart Monitoring Area 5 (Pty) Ltd t/a Smhart Alarms	4	R 425 065.00
10	SCM/2020/85/COMM	Supply & Delivery of Emergency Materials	Fourie A.	2020/8/14	Mashengu Building and Electrical Projects (Pty) Ltd	1	R 1 089 914.25
11	SCM/2020/02/ENG	Supply & Delivery of 6000lt Fire Department Water Tanker	Sunkar S.	2020/09/11	Shorts Nissan cc	2	R 1 520 242.60
11	SCM/2020/02/ENG	Supply & Delivery of Operational Vehicle	Sunkar S.	2020/09/18	Locross George (Pty) Ltd t/a Halfway Toyota George	0	R 395 973.88
							R 50 235 084.73

- 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 disposal of, or

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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 50 235 084.73 *(Incl. VAT) for Eleven (11) Tenders awarded by duly delegated Bid Adjudication Committees or the Accounting Officer for tenders valued in excess of R 200 000 (please refer to annexure C).

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	1 st Quarter 2020/21	1 st Quarter 2019/20
1.	Tenders Awarded	11	9
2.	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed as a result of the tenders awarded)	11	9
3.	Estimated Value of Tenders Awarded	R 50 235 084.73	R 11 206 669.08
4.	Number of Appeals Received	0	0
5.	Number of Appeals in Progress	0	0
6.	Number of successful appeals	0	0
7.	Number of Contracts Awarded to B-BBEE Enterprises	12	15
8.	Value of Contracts Awarded to B-BBEE Enterprises	R 49 442 892.89	R 268 396.80
9.	% of Contracts Awarded to B-BBEE Enterprises	98%	20%
10.	Number of Contracts Awarded to Enterprises based in the Bitou Municipality Area	1	1
11.	Value of Contracts Awarded to Enterprises based in the Bitou Municipality Area	R 452 065.00	R268 396.80
12.	% of Contracts Awarded to Enterprises based in the Bitou Municipality Area vs All Contracts	0.89%	6%

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#	Description	1 st Quarter 2020/21	1 st Quarter 2019/20
13.	Sub-Contracts to Local SMME's	3	1
14.	% of Contracts & Sub-Contracts Awarded to Local SMME's vs All Contracts	24.39%	R 268 396.80

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 thirty (30) days for a regular tender process with a fourteen (14) day advertisement period or forty-five (45) days for a tender advertised for thirty (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- Q1	Average Calendar Days- 2019/20 Q1
1.	Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC)- Full Procurement Cycle	120	251
2.	Average Calendar Days from Tender Advertisement Date to BAC	105	163
3.	Average Calendar Days from Tender Closing Date to BAC	56	137
4.	Average Calendar Days from Tender Closing Date to BEC- Tender Evaluation	47	115
5.	Tender with Fastest Procurement Process: BSC to BAC	72	47
6.	Tender with Longest Procurement Process: BSC to BAC	198	199

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. Fifteen (15) RFQ's were awarded by Directors in terms of their delegated authority for a total value of R 1 946 153.33 as follows (**please refer to annexure C**):

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REQUESTS FOR QUOTATIONS AWARDED DURING THE 2019/20 FINANCIAL YEAR FOR THE PERIOD 01 JULY TO 30 SEPTEMBER 2020- 1 st QUARTER					
RFQ NUMBER	DESCRIPTION	PROJECT MANAGER	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
SCM/RFQ/2020/100/FIN	Actuarial Valuation for Long Service benefits and Post employment medical aid contributions GRAP 25	Pretorius I.	Arch Actuarial Consulting (Pty) Ltd	0	R 31 395.00
SCM/RFQ/2021/001/EDP	Mapping Cape Cycle Cross route from Plettenberg Bay	Jacobs L.	Imex Biz (Pty) Ltd	2	R 124 500.00
SCM/RFQ/2021/002/COMM	Collection of Recyclable Waste	Baartman D.	Masiqhame Trading 672 cc	1	R 189 750.00
SCM/RFQ/2021/003/COMM	Provision of Decontamination Services	Swanepoel A.	Apcot Trading (Pty) Ltd	1	R 94 000.00
SCM/RFQ/2021/004/MM	Review of Annual Financial Statements	Koeberg C.	Ducharme Asset Management and Accounting (Pty) Ltd	2	R 27 600.00
SCM/RFQ/2021/005/MM	Compilation of Annual Performance Report 2019/20 and Annual Report 2019/20	Gericke L.	Ignite Advisory Services (Pty) Ltd	0	R 120 750.00
SCM/RFQ/2021/008/ENG	Provision of Storage Facility for Water Heaters and Solar Panels	Kwampa M.	Bitou Plant Hire (Pty) Ltd	4	R 199 999.95
SCM/RFQ/2021/009/ENG	Provision of Geohydrologist Services	Taljaard A.	JG Afrika (Pty) Ltd	1	R 72 570.75
SCM/RFQ/2021/011/COMM	Provision of Indigent & Pauper Burial Services	Basson J.	Simon John Jacobs t/a Velisas Projects and Maintenance	1	R 198 500.00
SCM/RFQ/2021/013/ENG	Renovation of Engineering Service Reception Area	Stuurman F.	Servigyn 48 (Pty) Ltd	1	R 127 707.50
SCM/RFQ/2021/015/ENG	Investigate existing VECTO-GRAPHS Quality monitoring instruments and Webhosting of existing Osprey Pro-system	Kwampa M.	CT Lab (Pty) Ltd	0	R 194 805.37
SCM/RFQ/2021/017/COMM	Supply & Delivery of Cooked Meals for Emergency Personnel	Swanepoel A.	Urshula Cathrine Muller t/a Urshie's Enterprises	1	R 199 999.95
SCM/RFQ/2021/020/COMM	Supply & Delivery of HAZMAT PPE	Swanepoel A.	Fire Raiders (Pty) Ltd	1	R 47 000.00
SCM/2021/022/COMM	Supply & Delivery of Tools & Equipment for Parks & Recreation	Basson J.	One Source Suppliers and Construction (Pty) Ltd	1	R 172 385.00
					R 1 946 153.33

6.3. The average time for processing was twenty-seven (27) days, which has lowered compared quarter 4 2019/20 forty-seven (47) days. The target is ten (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. However, the confirmation of technical evaluations and the recommendation to award by the project manager to the responsible Director is taking longer than expected.

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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 1st Quarter of the 2020/21 financial year, two (2) deviations were considered and approved to the value of **R 5 842.93** as follows.

DEVIATIONS APPROVED DURING THE 2020/21 FINANCIAL YEAR FOR THE PERIOD 01 JULY TO 30 SEPTEMBER 2020- 1 st QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SER VICE PROVIDER	AMOUNT
01	07.07.2020	Cunningham V.	Emergency	In term of Occupational health requirements and more specifically the Health and Safety of officials, it was a necessity to decontaminate the operational space at Bitou Municipality Main Offices.	Imex Biz (Pty) Ltd	R 3 715.43
02	25.09.2020	Cupido J.	Exceptional	<p>The Thumper is used to assist with locating the exact location of faulty underground service cables. This causes power outages which affects large areas leaving customers without power for days. The most economical and feasible way to restore power is to locate the faulty cable. Customers are currently without electricity as electricians cannot locate any faulty cables.</p> <p>The electrical manager tried various contractors within the industry to see if they could assist with fixing the thumper, but to no avail. HV Tests Repairs and Calibrations is the only service provider that can strip and quote the thumper as an authorized repairer. The electrical department cannot draw up specifications as we do not know what is wrong with the equipment. The service provider must therefore inspect the unit to determine what is faulty. The company is situated in Johannesburg, therefore the unit must be sent to the service provider to investigate before a quote can be submitted.</p>	HV Tests Repairs and Calibrations	R 2 127.50
					TOTAL	R 5 842.93

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	
		Q1: 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	R 3 715.43	R 8 668.03

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Section from SCM Policy	Categories	Value (R) of Deviations Approved	
		Q1: 2020/21	Q4: 2019/20
36(1)(a)(ii)	Where it can be demonstrated that goods or services are produced or available from a single provider only	R 0	R 0
36(1)(a)(v)	Exceptional case and it is impractical or impossible to follow the official procurement processes	R 2 127.50	R 0
	Total	R 5 842.93	R 8 668.03

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.

8. Procurement Plan Implementation for Quarter 1

SCM had forty-four (44) bids anticipated to be advertised and adjudicated in Quarter 1, eleven (11) bids were awarded within this quarter. The following are some amongst other challenges faced in the implementation of the procurement plan.

8.1. Cancelled Bids

In most cases material changes in specifications caused by inadequate information on specifications advertised, eight (8) bids were cancelled within this quarter. The following were cancelled bids to be re-advertised. This has an impact on delays in implementation of procurement plan as the same amount of resources have to be deployed timeously:

#	SCM Number	Description	Reason for Cancellation	Anticipated re-advertisement date
1.	SCM/2020/83/FIN	Provision of Accounting Services	Material change in specifications	Q3
2.	SCM/2020/86/CORP	Provision of Fire Suppression Goods and Services.	Funds available are not sufficient to cover the total expenditure estimated in relation to the bid offer.	Q2
3.	SCM/2020/49/ENG	Maintenance and Repairs to Electrical Networks and Associated Installations over a Period Ending on 30 June 2022.	Material change in specifications	No indication from user department
4.	SCM/2020/55/MM	Preparation and Implementation of Bitou Vision 2040	Material change in specifications	Q2
5.	SCM/2020/59/CORP	Provision of ICT Wireless Biometric UPS	No acceptable tenders are received	Q2
6.	SCM/2020/14/CORP	Publication of Municipal Advertisements	Material change in specifications	No indication from user department
7.	SCM/2020/78/MM	Appointment of Panel of Transaction Advisors to provide Advisory services for a period ending 30 June 2023.	Material change in specifications	Q2
8.	SCM/2020/73/ENG	Provision of Construction Health & Safety Services for Multi-Year Period Ending June 2023	Material change in specifications	Closed on 09 October 2020; re-advertised as SCM/2021/16/ENG

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8.2. Bids with no specifications received from Project Managers

The following tenders SCM had not received bid specifications from the project managers even after numerous communication to the departments; these will stand-over to Quarter 4 (**please refer to annexure E**):

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
Mechanical and Electrical Works for Various Infrastructure	F. Samuels	ENG		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
KWANQ: 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

8.3. Bid Specification Committee

The **Bid Specification Committee** had delays in execution, there are nine (9) bids advertised and to be advertised. However these will not close according to the dates on the DMP. The demand management team has raised concerns relating to specifications serving more than once at BSC also the approval of bid documents by both the CFO and the MM has negatively impacted the process.

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. Thirteen (13) BSC meeting sittings for quarter 1 were conducted there were no meetings that couldn't sit due to quorum even though some of the members have not attended meetings in the quarter. (**please refer to annexure G**). Therefore a total of twenty five (25) bids on backlog for evaluations as per Procurement Plan implementation on Quarter 1.

8.4. Bid Evaluation & Adjudication Committees

The **Bid Evaluation & Adjudication Committees** has a backlog of ten (10) bids, a huge turn-up on responses was received in two (2) bids "Professional Services & Legal Services" the project managers are busy with functionality criteria evaluations and BEC is scheduled for 16 October 2020

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at the time report was compiled. Fifteen (15) BEC and nine (9) BAC meeting sittings for quarter 1 were conducted, there were no meetings that couldn't sit due to no quorum even though some of the members has not attended meetings in the quarter (**please refer to annexure H & I**). The following bids are at Evaluation and Adjudication stages respectively:

#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	ACTUAL BSC	ACTUAL PUBLISH DATE OF TENDER	ACTUAL CLOSING DATE OF TENDER	NO OF BIDS RECEIVED	VALIDITY EXPIRY DATE	PROCESS DELAYS
1	SCM/2020/45/ENG	Construction of Civil Engineering for Ebenezer	Maki F	2019/11/13	2019/11/19	2020/01/10	13	2020/10/23	BEC recommended to BAC - 09 Oct, due to budgetary constraints the MM had needs to avail additional funds
2	SCM/2020/52/COMM	Provision of Banking Services	Maredi N	22/05/2020	2020/05/24	2020/07/24	5	2020/10/22	BEC scheduled for 08 Oct BAC 16 Oct, due to clarity on evaluations
3	SCM/2020/63/CORP	Provision of Forensic and legal investigations	Loliwe L	27/05/2020	2020/07/17	2020/08/07	36	2020/11/05	BEC scheduled for 13 Oct, due to Functionality Evaluation
4	SCM/2020/76/CORP	Provision of Medical Examination Services	Nkentsha L	09/04/2020	2020/06/22	2020/07/10	5	2020/10/23	BEC recommended to BAC - 16 Oct, due to clarity on evaluations
5	SCM/2020/80/ENG	Professional Engineering Services For A Multi-Year Period Ending June 2023	Maki F	30/04/2020	2020/06/15	2020/07/10	68	2020/10/23	BEC scheduled for 13 Oct due to due to Functionality Evaluation
6	SCM/2021/06/ENG	Operational & Maintenance of Desalination Plant	Samuel F	2020/08/23	2020/09/02	2020/09/18	11	2020/12/11	BEC to be scheduled for 08 Oct
7	SCM/2021/07/CORP	Provision of Website Maintenance and Support	Gresse G	2020/08/11	2020/09/02	2020/09/16	4	2020/12/09	BEC to be scheduled for 08 Oct
8	SCM/2021/08/COMM	Supply & Delivery of Traffic Uniforms	Ganga S	2020/08/11	2020/09/02	2020/09/16	3	2020/12/09	BEC to be scheduled for 08 Oct
9	SCM/2021/16/ENG	Construction Health & Safety Services for multi-year period ending June 2023	Maki F		2020/09/23	2020/10/09	17	2021/01/08	Closed 09/10/2020
10	SCM/2020/15/ENG	Supply and Delivery of Arch Flash Secondary Protective Clothing for all Personnel Working on the LV, MV, and HV Electrical Networks	Cupido J		2020/09/23	2020/10/09	8	2021/01/08	Closed 09/10/2020

9. Financial Implication

9.1. Financial implications are inherent in this financial report.

10. Executive Summary

10.1. 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.

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- 10.2. 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 4th Quarter, **01 July to 30 September 2020**, of the 2020/21 financial year.
- 10.3. This report also contains a record of Potential Irregular Expenditure as identified, for the period, **01 July to 30 September 2020**, of the 2020/21 financial year.

11. Relevant Legislation

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

Comments: Manager Legal Services

The recommendation by the Municipal Manager is supported.

RECOMMENDED BY THE MUNICIPAL MANAGER

1. That Council notes the Supply Chain Management Implementation Report for the 1st Quarter, 01 July to 30 September 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 July to 30 September 2020, to the Municipal Accounts Committee (MPAC) for further investigation and appropriate action.