

Section 2: Finance

ITEM C/2/155/10/23

REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE 1st QUARTER 01 JULY TO 30 SEPTEMBER 2023

Portfolio Comm: Finance & Engineering

Demarcation: All Wards

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

Delegation: Council

Attachments: Annexure A: Comparative Tender Opening Schedule
Annexure B: Schedule of Procurement Process Timeline
Annexure C: Tender Awards

Report from: Director: Financial Services

Author: Manager: Supply Chain Management

Date: 05 October 2023

1. **PURPOSE OF THE REPORT**

- 1.1. Report on the Implementation of the Supply Chain Management Policy, for the 1st Quarter, 01 July – 30 September of the 2023/24 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 2021.
- 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. 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 2023/24 financial year.

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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 recommend to the Accounting Officer for approval.
2.	Bid Evaluation Committee- BEC	The project manager, a Senior SCM Practitioner/ SCM Practitioner and any other Manager- Considers tender evaluation reports and makes recommendations to the BAC
3.	Bid Adjudication Committee- BAC	At least four (04) Senior Managers 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 Account Officer to award if an award is above R 10 million or 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 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 6,318,131.83 *(VAT Incl.) for **12** Tenders awarded by duly delegated Bid Adjudication Committees for tenders valued more than R 200 000.

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

R 20, 653, 496.07 *(VAT Incl.) for **1** Tender awarded by duly delegated the Accounting Officer for tenders valued more than R 10 million.

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TENDERS AWARDED DURING THE 2023/24 FINANCIAL YEAR FOR THE PERIOD 01 July to 30 September 2023 - FINANCIAL YEAR							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/2023/76/COMM	Installation, Maintenance, Monitoring and Response of Security Alarms, Surveillance, and Visibility Systems	Vandala S	2023/08/11	Smhart Monitoring Area 5 (Pty) Ltd t/a Smhart Alarms	0	Rate based, subject to availability of funds.
2	SCM/2023/82/CORP	The Supply of Wireless, Network and Biometric Hardware for a Period Ending 30 June 2026	Gresse G	2023/07/07	Bona Electronic Solutions (Pty) Ltd	1	Rate based, subject to availability of funds.
2	SCM/2023/82/CORP	The Supply of Wireless, Network and Biometric Hardware for a Period Ending 30 June 2026	Gresse G	2023/07/07	Innovo Networks (Pty) Ltd	1	Rate based, subject to availability of funds.
3	SCM/2023/87/COMM	Supply & Delivery of Various Bins For A Period Ending 30 June 2026: Outdoor recycling bins.	Baartman D	2023/09/08	Mpact Plastic Containers (Pty) Ltd	0	Rate based, subject to availability of funds.
3	SCM/2023/87/COMM	Supply & Delivery of Various Bins For A Period Ending 30 June 2026:50L Pole bins.	Baartman D	2023/09/08	Pioneer Plastic Supplies (Pty) Ltd	0	Rate based, subject to availability of funds.
3	SCM/2023/87/COMM	Supply & Delivery of Various Bins For A Period Ending 30 June 2026:50L Pole bins.	Baartman D	2023/09/08	KFC Pipes and Fittings (Pty) Ltd t/a KFC Engineering & Industrial Supplies	1	Rate based, subject to availability of funds.
4	SCM/2023/88/COMM	Rental of Plant & Machinery of a contract period ending 30 June 2024: Hook-Lift Truck #Ranked 2	Baartman D	2023/09/08	Aqua Transport and Plant Hire (Pty) Ltd	1	Rate based, subject to availability of funds.
4	SCM/2023/88/COMM	Rental of Plant & Machinery of a contract period ending 30 June 2024: Side-Tipper Truck #Ranked 2	Baartman D	2023/09/08	Amila Investments (Pty) Ltd	1	Rate based, subject to availability of funds.
4	SCM/2023/88/COMM	Rental of Plant & Machinery of a contract period ending 30 June 2024: Skip Loader Truck #Ranked 2	Baartman D	2023/09/08	South Cape Plant Hire and Civil Contractors (Pty) Ltd	1	Rate based, subject to availability of funds.
4	SCM/2023/88/COMM	Rental of Plant & Machinery of a contract period ending 30 June 2024: Skip Loader Truck #Ranked 1 ; Hook-Lift Truck #Ranked 1 ; Side-Tipper Truck #Ranked 1	Baartman D	2023/09/08	Inyameko Trading 296 CC	1	Rate based, subject to availability of funds.
5	SCM/2023/91/COMM	Supply & Delivery of Traffic Uniforms	Ganga S	2023/07/14	Sparks & Ellis (Pty) Ltd	1	Rate based, subject to availability of funds.
5	SCM/2023/91/COMM	Supply & Delivery of Traffic Uniforms:	Ganga S	2023/09/08	Sparks & Ellis (Pty) Ltd	1	Rate based, subject to

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TENDERS AWARDED DURING THE 2023/24 FINANCIAL YEAR FOR THE PERIOD 01 July to 30 September 2023 - FINANCIAL YEAR							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
		Sections: Sections: 1.1.25; 1.1.26; 1.1.27; 1.1.28; 1.1.29; 1.1.30; 1.1.31; 1.1.39.					availability of funds.
5	SCM/2023/91/COMM	Supply & Delivery of Traffic Uniforms	Ganga S	2023/07/14	Blackbird Trading 480 CC	1	Rate based, subject to availability of funds.
5	SCM/2023/91/COMM	Supply & Delivery of Traffic Uniforms: Sections: 1.1.19; 1.1.20; 1.1.32; 1.1.33.	Ganga S	2023/09/08	Blackbird Trading 480 CC	1	Rate based, subject to availability of funds.
5	SCM/2023/91/COMM	Supply & Delivery of Traffic Uniforms	Ganga S	2023/07/14	Vumokuhle Trading Enterprise CC	1	Rate based, subject to availability of funds.
5	SCM/2023/91/COMM	Supply & Delivery of Traffic Uniforms	Ganga S	2023/07/14	Sparks & Ellis (Pty) Ltd	1	Rate based, subject to availability of funds.
6	SCM/2023/98/ENG	Supply & Delivery of Vehicles-outright Purchase: Double Cab for Electrical and Mechanical with Roof Rack and Aluminium Canopy (X1); Single Cab raised body LDV with SAPS style canopy (X1); Single Cab raised body with std canopy (X2) and SUV 1.8 - 5-seater (X3)	Sunkar S	2023/07/21	CFAO Mobility (Pty) Ltd t/a Williams Hunt GM Midrand	3	R 4,751,010.16
6	SCM/2023/98/ENG	Supply & Delivery of Vehicles-outright Purchase: Hatch back (X1)	Sunkar S	2023/07/21	Southern Sea Motors (Pty) Ltd t/a Volkswagen Knysna	0	R 302,489.59
6	SCM/2023/98/ENG	Supply & Delivery of Vehicles-outright Purchase: 15 cube compactor (X3) and Hooklift truck and trailer (X1)	Sunkar S	2023/07/21	Short's Nissan CC	2	R 9,709,734.05
6	SCM/2023/98/ENG	Supply & Delivery of Vehicles-outright Purchase: Front end loader (X1)	Sunkar S	2023/07/21	Barloworld South Africa (Pty) Ltd t/a Barloworld Equipment	1	R 2,170,928.20
7	SCM/2023/99/COMM	Qolweni Phase 4B: Construction of Civil Engineering Services	Maki F	2023/09/08	SC Housing (Pty) Ltd t/a S Colarossi Housing & Civils	1	R 6,318,131.83
8	SCM/2023/102/COMM	Supply and Delivery of Housing Emergency Material	Maki F	2023/07/07	Plett Building Supplies CC t/a Plett Build It	0	Rate based, subject to availability of funds.
9	SCM/2023/103/FIN	Rental of Storage Containers for the period ending 30 June 2026	Casa P	2023/07/07	Ravenswood Trading and Investments CC t/a JCE Containers	0	Rate based, subject to availability of funds.
10	SCM/2023/104/FIN	Provision of Auctioneering Services	Casa P	2023/07/07	Dladla and Khan Auctioneers (Pty) Ltd	1	Rate based, subject to availability of funds.

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TENDERS AWARDED DURING THE 2023/24 FINANCIAL YEAR FOR THE PERIOD 01 July to 30 September 2023 - FINANCIAL YEAR							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
11	SCM/2023/112/COMM	Supply and delivery of Road Traffic Signs, Poles nuts, and Bolts, Clamps and equipment for a period ending 30 June 2026	Ganga S	2023/07/14	Southern Ambition 1281 CC t/a Nu Way Enterprise	1	Rate based, subject to availability of funds.
11	SCM/2023/112/COMM	Supply and delivery of Road Traffic Signs, Poles nuts, and Bolts, Clamps and equipment for a period ending 30 June 2026	Ganga S	2023/07/14	Thuma Mina Road Signs (Pty) Ltd	0	Rate based, subject to availability of funds.
11	SCM/2023/112/COMM	Supply and delivery of Road Traffic Signs, Poles nuts, and Bolts, Clamps and equipment for a period ending 30 June 2026	Ganga S	2023/07/14	Vumokuhle Trading Enterprise CC	1	Rate based, subject to availability of funds.
12	SCM/2023/118/ENG	Upgrading of Gravel Roads in Kranshoek: Phase 3	Rhode M	2023/09/01	Naso Civil and Building (Pty) Ltd	1	Rate based, subject to availability of funds.
13	SCM/2023/111/COMM	Supply & Delivery of Firefighting Equipment & Medical Consumables for a Period ending 30 June 2026	Swanepoel A	2023/09/22	Vanguard Fire and Safety Inland (Pty) Ltd	1	Rate based, subject to availability of funds.
13	SCM/2023/111/COMM	Supply & Delivery of Firefighting Equipment & Medical Consumables for a Period ending 30 June 2026	Swanepoel A	2023/09/22	Mdibi Tours Logistics and Projects CC	1	Rate based, subject to availability of funds.
13	SCM/2023/111/COMM	Supply & Delivery of Firefighting Equipment & Medical Consumables for a Period ending 30 June 2026	Swanepoel A	2023/09/22	YMS Medical Supplies (Pty) Ltd	0	Rate based, subject to availability of funds.
13	SCM/2023/111/COMM	Supply & Delivery of Firefighting Equipment & Medical Consumables for a Period ending 30 June 2026	Swanepoel A	2023/09/22	Memotek Trading CC	1	Rate based, subject to availability of funds.
13	SCM/2023/111/COMM	Supply & Delivery of Firefighting Equipment & Medical Consumables for a Period ending 30 June 2026	Swanepoel A	2023/09/22	Fremtac Fire and Rescue CC	0	Rate based, subject to availability of funds.

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

4.3.1. B-BBEE compliant enterprises

4.3.2. Enterprises within the Bitou Municipality Area

4.3.3. B-BBEE Enterprises within the Bitou Municipality Area

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4.4. 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 2023/24	4 th Quarter 2022/23
1.	Tenders Awarded	13	17
2.	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed because of the tenders awarded)	32	44
3.	Estimated Value of Tenders Awarded	R 26, 971, 627.91	R 61,365,605.90
4.	Number of Appeals Received	0	1
5.	Number of Appeals in Progress	0	0
6.	Number of successful appeals	0	0
7.	Number of Contracts Awarded to B-BBEE Enterprises	23	37
8.	Value of Contracts Awarded to B-BBEE Enterprises	R 26, 971, 627.91	R 61,365,605.90
9.	% of Contracts Awarded to B-BBEE Enterprises	98.89%	100%
10.	Number of Contracts Awarded to Enterprises based in the Bitou Municipality Area	4	5
11.	Value of Contracts Awarded to Enterprises based in the Bitou Municipality Area	Various Rates	Various Rates
12.	% of Contracts Awarded to Enterprises based in the Bitou Municipality Area vs All Contracts	12.5%	13.5%
13.	Sub-Contracts to Local SMME's	0	0
14.	% of Contracts & Sub-Contracts Awarded to Local SMME's vs All Contracts	0	0

4.5. 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 as per Section 21A of the Municipal Systems Act. A schedule attached as (**Annexure A**), details the tenders opened and awarded versus the unsuccessful competitive bids as per additional Council oversight request.

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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 B**) 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- 2023/24-Q1	Average Calendar Days- 2022/23- Q4
1.	Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC)- Full Procurement Cycle	92	102
2.	Average Calendar Days from Tender Advertisement Date to BAC	73	92
3.	Average Calendar Days from Tender Closing Date to BAC	55	66
4.	Average Calendar Days from Tender Closing Date to BEC- Tender Evaluation	47	59
5.	Tender with Fastest Procurement Process: BSC to BAC	51	21
6.	Tender with Longest Procurement Process: BSC to BAC	144	205

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

- 6.1. The procurement of Formal Written Price Quotations has been streamlined by obviating the need for Bid Specification and Evaluation Committees before a Director could make an award. This change was made to improve the turnaround time for procurement.
- 6.2. **Nineteen (19)** RFQ's were awarded by Directors in terms of their delegated authority for a total value as follows:

REQUESTS FOR QUOTATIONS REGISTER FOR THE 2023/24 FINANCIAL YEAR JULY to SEPTEMBER 2023							
#	RFQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STAT US LEVEL	TOTAL ESTIMATED AMOUNT (VAT Incl.)
1	SCM/RFQ/2023/111/COM M	Re-Advertising Collection of Recyclable Waste	Mr. J Windvogel	01 August 2023	Masiqhame Trading 672 CC	1	R 200,000.00
2	SCM/RFQ/2024/01/FIN	Provision of Forensic Investigative Services	Mr. FM Lötter	03 August 2023	Mubesko Africa (Pty) Ltd	0	R 188,952.88
3	SCM/RFQ/2024/02/CORP	Provision of Advertising Services	Mr. JW Abroue	16 August 2023	Epitomely PRM (Pty) Ltd	0	Various rates, procurement limited to R 200 000.00 (Incl. VAT)

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REQUESTS FOR QUOTATIONS REGISTER FOR THE 2023/24 FINANCIAL YEAR JULY to SEPTEMBER 2023							
#	RFQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STAT US LEVEL	TOTAL ESTIMATED AMOUNT (VAT Incl.)
4	SCM/RFQ/2024/04/ENG	Supply & Delivery of Two (2 off) New Under Pressure Drills (UPD) for Water Connections	Mr. R Tarentaal	21 August 2023	PPD Engineering and Hardware Suppliers CC	0	R 80,500.00
5	SCM/RFQ/2024/05/MM	Provision Of Events Management for The Bitou Local Municipality Women's Day Event	Mr. M James	07 August 2023	K2 Squared Trading Project (Pty) Ltd	0	R 131,000.00
6	SCM/RFQ/2024/06/MM	Provision of Catering (VIP Tent) For Bitou Municipality Women's Day Event for 100 people.	Mr. M James	07 August 2023	Shekynah Projects CC	1	R 26,950.00
7	SCM/RFQ/2024/07/MM	Bitou Municipality Women's Day Event (Infrastructure)	Mr. M James	07 August 2023	K2 Squared Trading Project (Pty) Ltd	0	R 176,000.00
8	SCM/RFQ/2024/08/MM	Provision of Catering Services for Bitou Municipality Women's Day Event for 400 people	Mr. M James	07 August 2023	Kukokonke Trading (Pty) Ltd	1	R 39,000.00
9	SCM/RFQ/2024/09/MM	Supply and Delivery of T-shirts for Bitou Municipality Women's Day Event	Mr. M James	07 August 2023	Mashengu Building and Electrical Projects (Pty) Ltd	0	R 73,500.00
10	SCM/RFQ/2024/10/MM	Bitou Municipality Women's Day Event (Decorations)	Mr. M James	07 August 2023	TSDSMB (Pty) Ltd t/a Lehae Tshisanyama	1	R 47,000.00
11	SCM/RFQ/2024/12/CORP	Provision of Accredited Training & Certification: SAMTRAC	Mrs. V Cunningham	30 August 2023	Falcon Safety Academy (Pty) Ltd	0	Various rates, procurement limited to R 200 000.00 (Incl. VAT)
12	SCM/RFQ/2024/11/ENG	Supply & Delivery of New Two (2) Off 80mm Self Priming Diaphragm Sludge Pumps Units With 4.8Hp (Net) Petrol Engine	Mr. EC Oosthuizen	30 August 2023	Ian Dickie and Company (Pty) Ltd	4	R 84,525.00
13	SCM/RFQ/2024/14/ENG	Hire of Combination Unit for Cleaning of Sewer Pump Station Sumps - Removal of Hazardous Waste	Mr. EC Oosthuizen	14 September 2023	Immex Waste (Pty) Ltd	0	Various rates, procurement limited to R 200 000.00 (Incl. VAT)

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REQUESTS FOR QUOTATIONS REGISTER FOR THE 2023/24 FINANCIAL YEAR JULY to SEPTEMBER 2023							
#	RFQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STAT US LEVEL	TOTAL ESTIMATED AMOUNT (VAT Incl.)
14	SCM/RFQ/2024/16/ENG	Supply & Delivery of Sewer Drain Rods and Associated Fittings	Mr. M Jordaan	14 September 2023	Ian Dickie and Company (Pty) Ltd	4	Various rates, procurement limited to R 200 000.00 (Incl. VAT)
15	SCM/RFQ/2024/19/COMM	Hiring Décor and Furniture for the Premier's Co-ordinating Forum meeting on 28 and 29 August 2023.	Mr. N Stuurman	28 August 2023	Urshula Cathrine Muller t/a Urshie's Enterprises	1	R 17,700.00
16	SCM/RFQ/2024/24/MM	Supply & Delivery of Sound & Stage: Heritage Day Celebrations	Mr. R Plaatjies	21 September 2023	K2 Squared Trading Project (Pty) Ltd	0	R 72,500.00
17	SCM/RFQ/2024/25/MM	Supply & Delivery of Catering Services for Heritage Day Event.	Mr. R Plaatjies	21 September 2023	Kukokonke Trading (Pty) Ltd	1	R 71,485.00
18	SCM/RFQ/2024/26/MM	Supply, Delivery & Installation of Stretch Tent: Heritage Day Celebrations	Mr. R Plaatjies	21 September 2023	K2 Squared Trading Project (Pty) Ltd	0	R 47,000.00
19	SCM/RFQ/2024/27/MM	Provision of Events Management: Heritage Day Celebrations	Mr. R Plaatjies	21 September 2023	K2 Squared Trading Project (Pty) Ltd	0	R 178,500.00

6.3. The average time for processing was **9** days, which has decreased compared quarter 4 **2022/2023 (26 days)**. The target is 10 days. There has been quite improvement on the turnaround times on award in the 1st Quarter for 2023/24. That this is quietly a great way to set tone for the financial year.

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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 2023/24 financial year, **one** deviation was considered and approved to the value of **R 282 139.98** as follows.

DEVIATIONS APPROVED DURING THE 2023/2024 FINANCIAL YEAR FOR THE PERIOD 01 JULY TO 30 SEPTEMBER 2023-1 ST QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SE RVICE PROVIDER	AMOUNT
1	22/08/2023	Mr. Ntho Maredi	Exceptional Case	<p>On 02 November 2020, the municipality awarded the tender for the Provision of Banking Services to Standard Bank. However, the municipality could not close the Nedbank transaction account after the inception of banking contract on 01 January 2021. This was due to the ACB run processes that could not be finalized on the side of Standard Bank. The municipality is receiving funds exceeding R8 000 000 per month from Easypay, Utilities and Pay At (which are the municipality's collection agencies), where commission had to be paid to the referred agents out of the Nedbank account. The municipality continued to receive grant funding against the Nedbank account, even-though attempts were made to update the banking information with the Provincial and National Departments. In addition, the municipality is still receiving payments relating to traffic fines against the Nedbank account. The municipality's AFS, I.T and Revenue Divisions, together with Solvem Consulting (aka Samras) are still in the process of working on finding the solution for the integration of Standard bank and the collecting agencies. For the 2022/23 financial year, the municipality had incurred bank charges to the estimated amount of R266 211.26, for the period between 01 July 2022 and 30 June 2023. Furthermore, for the period of July 2023, the municipality had incurred bank charges to the estimated amount of R15 928.72</p>	Nedbank	R282 139.98
					TOTAL	R 282 139.98

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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 Q1:2023/24 financial year:

Section from SCM Policy	Categories	Value (R) of Deviations Approved	
		Q1: 2023/24	Q4: 2022/23
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 0.00	R 0.00
36(1)(a)(ii)	Where it can be demonstrated that goods or services are produced or available from a single provider only	R 0.00	R 4 863.81
36(1)(a)(v)	Exceptional case and it is impractical or impossible to follow the official procurement processes	R 282 139.98	R 91 362.42
	Total	<u>R 282 139.98</u>	<u>R 96 226.23</u>

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

7.4. Bid Specification Committee

The **Bid Specification Committee** had scheduled eight (08) meetings for the first quarter. The Bid Specification Committee makes use of the Demand Management Plan as a strategic tool.

Even though the SCM Unit has experienced challenges relating to the timeous receiving of specifications from the project managers, there has, however, been a huge improvement on the side of project managers in this regard. This also assisted the SCM Unit to improve on the turnaround time toward the implementation of the Demand Management Plan 2023/24.

For Quarter 1, the That the Supply Chain Management Unit processed its procurement requests in line with the Bitou Annual Procurement Plan 2023/24. The said Bitou Annual Procurement Plan emanates from the approved municipal budget. As part of the effectiveness of the SCM Unit, the Unit has introduced monthly reports in line with the Annual Procurement Plan, which will be submitted to the Municipal Manager, through the Office of the Chief Financial Officer.

7.5. Bid Evaluation & Adjudication Committees

The **Bid Evaluation & Adjudication Committees** had scheduled Twelve (12); Eleven (11) meetings for the quarter respectively. The current delays experienced are due to the non-availability of the members for meetings. Also due to submissions of functionality evaluation reports and availability of project managers.

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FINANCIAL IMPLICATION

Financial implications are inherent in this financial report.

EXECUTIVE SUMMARY

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.

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 1st Quarter, **01 July to 30 September 2023**, of the 2023/24 financial year.

RELEVANT LEGISLATION

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003)

Local Government: Municipal Finance Management Act 2003, (Act 56 of 2003): Municipal Supply Chain Management Regulations

Bitou Municipality Supply Chain Management & Preferential Procurement Policies

RECOMMENDED BY THE MUNICIPAL MANAGER

That Council notes the Supply Chain Management Implementation Report for the 1st Quarter, 01 July to 30 September 2023, of the 2023/24 financial year in terms of Section 6(3) of the SCM Policy.

RECOMMENDED BY THE FINANCE AND ENGINEERING PORTFOLIO COMMITTEE

1. That Council notes the Supply Chain Management Implementation Report for the 1st Quarter, 01 July to 30 September 2023, of the 2023/24 financial year in terms of Section 6(3) of the SCM Policy.