

Section 2: Finance

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 Accounting 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 Q2 period are valued at approximately **R45,309,426.47*(VAT Incl.)** for **12** Tenders awarded by duly delegated Bid Adjudication Committees. These includes tenders valued for more than R 200 000 but less than R10 million.

4.2. The tender awards made for the Q2 period are valued at approximately **R 16,040,598.00 *(VAT Incl.)** for **1** Tender awarded by duly delegated the Accounting Officer. This was a tender valued for more than R 10 million.

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BITOU MUNICIPALITY								
TENDERS AWARDED DURING THE 2023/24 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 OCTOBER TO 31 DECEMBER 2023								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/2023/120/COMM	Construction of Engineering Services for Ebenezer (Phase 3 Portion 1)	Maki F	2023-10-06	Norland Construction (Pty) Ltd	1	Mossel Bay	R 16,040,598.00
2	SCM/2023/127/CORP	Re-Advertising the Provision, Examination & Certification for ICT Staff for a period ending 30 June 2026	G Gresse/M Tau	2023-10-13	Alshedai Trading CC	0	Durban	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
2	SCM/2023/127/CORP	Re-Advertising the Provision, Examination & Certification for ICT Staff for a period ending 30 June 2026	G Gresse/M Tau	2023-10-13	Inново Networks (Pty) Ltd	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
3	SCM/2023/119/ENG	Electrification of various areas over a three-year period ending in 30 June 2026	Rhode MJ	2023-10-27	SNR Electrical CC	1	Bitou	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)
4	SCM/2023/128/ENG	Supply & Delivery of Materials and Equipment for new Pump Stations	Rhode MJ	2023-10-30	Take Note Trading 245 CC t/a Universal Trading	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
5	SCM/2023/126/ENG	Re-Advertising Supply & Delivery of various Water Fittings and Materials	Oosthuizen E	2023-10-30	Gundo Evolution (Pty) Ltd	0	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
5	SCM/2023/126/ENG	Re-Advertising Supply & Delivery of various Water Fittings and Materials	Oosthuizen E	2023-10-30	Last Samurai Property Holdings 2 CC t/a Ithuba Industries	1	Bellville	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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TENDERS AWARDED DURING THE 2023/24 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 OCTOBER TO 31 DECEMBER 2023								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
5	SCM/2023/126/ENG	Re-Advertising Supply & Delivery of various Water Fittings and Materials	Oosthuizen E	2023-10-30	IES Irrigation CC t/a Irrigation Equipment Supplies	0	Bloemfontein	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
5	SCM/2023/126/ENG	Re-Advertising Supply & Delivery of various Water Fittings and Materials	Oosthuizen E	2023-10-30	PPD Engineering and Hardware Suppliers CC	0	Mossel Bay	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
5	SCM/2023/126/ENG	Re-Advertising Supply & Delivery of various Water Fittings and Materials	Oosthuizen E	2023-10-30	Memotek Trading CC	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
5	SCM/2023/126/ENG	Re-Advertising Supply & Delivery of various Water Fittings and Materials	Oosthuizen E	2023-10-30	Take Note Trading 245 CC t/a Universal Trading	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
5	SCM/2023/126/ENG	Re-Advertising Supply & Delivery of various Water Fittings and Materials	Oosthuizen E	2023-10-30	NRB Piping Systems (Pty) Ltd	1	Richards Bay (KZN)	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2023/125/COMM	Supply & Delivery of Disaster Relief Items - Food Parcels – Family Packs (Ranked 1)	Stuurman N	2023-10-30	Memotek Trading CC	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2023/125/COMM	Supply & Delivery of Disaster Relief Items - Food Parcels – Family Packs (Ranked 2)	Stuurman N	2023-10-30	Shekynah Projects CC	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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BITOU MUNICIPALITY								
TENDERS AWARDED DURING THE 2023/24 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 OCTOBER TO 31 DECEMBER 2023								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
6	SCM/2023/125/COMM	Supply & Delivery of Disaster Relief Items - Food Parcels – Covered Matrasses (Ranked 1)	Stuurman N	2023-10-30	K2 Squared Trading Project (Pty) Ltd	0	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2023/125/COMM	Supply & Delivery of Disaster Relief Items - Food Parcels – Covered Matrasses (Ranked 2)	Stuurman N	2023-10-30	Rare Code by Busi Maliwa (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2023/117/CORP	Provision of Licensing, Maintenance and Support Services for our Adobe Acrobat Pro for Teams Software ending 30 June 2026	Gresse G	2023-10-30	Khusela Solutions (Pty) Ltd	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2023/124/COMM	Supply & Delivery of Bullet proof vests/body amours for Law Enforcement	Bangela X	2023-11-10	Goran Galic t/a Spring Forest Trading 630 CC	0	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
9	SCM/2023/116/COMM	Collection of Recyclable Waste Services for a period ending 30 June 2026	Baartman D / Windvogel J	2023-11-17	Henque Waste (Pty) Ltd	0	George	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
10	SCM/2024/24/ENG	Supply, Delivery and Off-loading of White Hydrated Lime, for Water Purification for a Period Ending 30 June 2025	Tarentaal R	2023-11-29	Memotek Trading CC	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
11	SCM/2024/02/MM	Provision of Forensic Investigation services for a period of 12 Months	Bester H	2023-12-14	Rain Chartered Accountants Inc.	1	Mossel Bay	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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BITOU MUNICIPALITY								
TENDERS AWARDED DURING THE 2023/24 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 OCTOBER TO 31 DECEMBER 2023								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
12	SCM/2024/05/CORP	UPS, Solar Hardware Supply and Services for a Period Ending 30 June 2027	Nieuwoudt G	2023-12-14	Bilionetworks (Pty) Ltd	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
13	SCM/2024/25/CORP	Provision of Services for Advance Diploma in Public Administration NQF Level 7 and Higher Certificate in Economic Development NQF Level 5	Cunningham V / Sebezo P	2023-12-14	University of the Western Cape	4	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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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

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	2 nd Quarter 2023/24
1.	Tenders Awarded	13	13
2.	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed because of the tenders awarded)	32	23
3.	Estimated Value of Tenders Awarded	R 26, 971, 627.91	R61,350,024.47
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	16
8.	Value of Contracts Awarded to B-BBEE Enterprises	R 26, 971, 627.91	R50,585,024.47
9.	% of Contracts Awarded to B-BBEE Enterprises	98.89%	69.57%
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	0	21.74%
13.	Sub-Contracts to Local SMME's	0	0
14.	% of Contracts & Sub-Contracts Awarded to Local SMME's vs All Contracts	0	0

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- 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.

5. Tenders - 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 Q1	Average Calendar Days Q2
1.	Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC)- Full Procurement Cycle	92	100
2.	Average Calendar Days from Tender Advertisement Date to BAC	73	85
3.	Average Calendar Days from Tender Closing Date to BAC	55	61
4.	Average Calendar Days from Tender Closing Date to BEC- Tender Evaluation	47	53
5.	Tender with Fastest Procurement Process: BSC to BAC	51	42
6.	Tender with Longest Procurement Process: BSC to BAC	144	140

6. Formal Written Price Quotations between R 30 000 and 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. **Thirteen (13)** RFQ's were awarded by Directors in terms of their delegated authority for a total value as follows:

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FORMAL WRITTEN PRICE QUOTATIONS AWARDED DURING THE 2023/24 FINANCIAL YEAR FOR THE QUARTER 2-PERIOD 01 OCTOBER TO 31 DECEMBER 2023								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/RFQ/2024/21/ENG	Supply & Delivery and Off-loading of Water Purification Chemicals for Desalination Plant	Mr. R Tarentaal	12 October 2023	Metsi Chem Ikapa (Pty) Ltd	1	George	R 191,160.68
2	SCM/RFQ/2024/31/COMM	General Maintenance, Repair of Ablution Facilities at Beaches	Mr. J Prins	14 November 2023	Bucwebe Bezwe Services (Pty) Ltd	0	Bitou	R 118,210.00
3	SCM/RFQ/2024/33/CORP	Re-advertising Provision of Services for ISO 22301 Business Continuity Management Training	Mrs. V Cunningham / P Sebezo	25 October 2023	DQS MSS (Pty) Ltd	0	Randburg	R 120,937.35
4	SCM/RFQ/2024/34/CORP	Collection of Recyclable Waste Services	Mr. J Windvogel	09 October 2023	Masiqhame Trading 672 CC	1	Bitou	R 200,000.00
5	SCM/RFQ/2024/35/ENG	Supply and Delivery of Laboratory Materials	Mr. R Tarentaal	10 November 2023	Sains Agencies CC	0	Port Elizabeth	Various rates, total transactions are limited to R 200 000.00 (Incl. VAT)
5	SCM/RFQ/2024/35/ENG	Supply and Delivery of Laboratory Materials	Mr. R Tarentaal	10 November 2023	Lasec SA (Pty) Ltd	0	Cape Town	Various rates, total transactions are limited to R 200 000.00 (Incl. VAT)
5	SCM/RFQ/2024/35/ENG	Supply and Delivery of Laboratory Materials	Mr. R Tarentaal	10 November 2023	Khonaye Kwepile t/a Global Palatable Trading (Pty) Ltd	1	Bitou	Various rates, total transactions are limited to R 200 000.00 (Incl. VAT)

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6	SCM/RFQ/2024/36/MM	Provision of Conference Facility for the Speakers Forum 2nd -3rd November 2023	Mr. R Plaatjies	27 October 2023	Shekynah Projects CC	1	Bitou	R 69,400.00
7	SCM/RFQ/2024/37/MM	Provision of Catering Service for Bitou Junior Council Camp	Mr. R Plaatjies	01 November 2023	Kukokonke Trading (Pty) Ltd	1	Bitou	R 16,849.70
8	SCM/RFQ/2024/30/COMM	Supply Material for the Painting of Kranshoek Satellite Thusong Service Centre Building.	Mr. M Namntu	15 November 2023	Platinum Supplies (Pty) Ltd	1	Port Elizabeth	R 84,384.24
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kurland 1	Mr. J Basson	06 December 2023	Siyamcela Projects (Pty) Ltd	1	Bitou	R 10,867.80
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kurland 2	Mr. J Basson	06 December 2023	Lizz's Tours (Pty) Ltd	0	Bitou	R 6,870.80
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Green Valley & Wittedrift	Mr. J Basson	06 December 2023	DJW Sam t/a JJ Maintenance	0	Bitou	R 13,704.00
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kranshoek Block 1	Mr. J Basson	06 December 2023	Shekynah Projects CC	1	Bitou	R 14,797.20
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kranshoek Block 2	Mr. J Basson	06 December 2023	Urshie's Enterprises	1	Bitou	R 22,478.05
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kranshoek Block 3	Mr. J Basson	06 December 2023	Tilios (Pty) Ltd	0	Bitou	R 18,813.60

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9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kwanokuthula: Phase 2	Mr. J Basson	06 December 2023	Otha Construction and Civil (Pty) Ltd	1	Bitou	R 17,401.74
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kwanokuthula: Phase 3	Mr. J Basson	06 December 2023	Mbeko Mancam (Pty) Ltd	0	Bitou	R 16,153.55
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kwanokuthula: Phase 4	Mr. J Basson	06 December 2023	Akhanani and Anhe Construction (Pty) Ltd	1	Bitou	R 6,900.00
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kwanokuthula: Phase 5	Mr. J Basson	2023-12-06	Lungi Construction (Pty) Ltd	1	Bitou	R 4,648.32
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Pine Trees / Qolweni	Mr. J Basson	2023-12-06	Mbayo Projects (Pty) Ltd	1	Bitou	R 5,914.30
9	SCM/RFQ/2024/40/COMM	Grass Cutting in Kwanokuthula: Phase 1	Mr. J Basson	2023-12-13	S'Phethezona Trading and Investments CC	0	Bitou	R 19,649.50
9	SCM/RFQ/2024/40/COMM	Grass Cutting in New Horizons Block 1	Mr. J Basson	2023-12-13	Selfcon (Pty) Ltd t/a Selfcon Business Group	1	Bitou	R 24,225.68
9	SCM/RFQ/2024/40/COMM	Grass Cutting in New Horizons Block 2	Mr. J Basson	2023-12-13	Selfcon (Pty) Ltd t/a Selfcon Business Group	1	Bitou	R 17,502.31
10	SCM/RFQ/2024/41/CORP	Provision of Catering Services for Bitou Municipality's Employee Wellness Day.	Ms. L Tau	2023-11-30	Shekynah Projects CC	1	Bitou	R 83,850.00

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11	SCM/RFQ/2024/42/ENG	Supply and Delivery of Vehicles Spare Parts and Accessories.	Mr. S Sunkar	2023-12-13	Garys Motor Spares (Pty) Ltd	4	Bitou	Various rates, total transactions are limited to R 200 000.00 (Incl. VAT)
12	SCM/RFQ/2024/45/MM	Provision of Events Management for 16 December, Switching on of Lights Celebration.	Mr. H Nieuwoudt	2023-12-13	IROCK Tradings (Pty) Ltd t/a Irock Event's	0	Tsitsikamma	R 117,875.00
13	SCM/RFQ/2024/46/MM	Catering programme for Elderly for 5 Wards.	Mr. H Nieuwoudt	2023-12-13	Shekynah Projects CC	1	Bitou	R 42,700.00

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The average time for processing the 13 (thirteen) Formal Written Price Quotations in Q2 was **20** days. As per the SCM Unit's standard of measurement, the average time should be 10 days after closure of the bid. However, this has increased with 11 days as compared to Q1. Such minor increases were due to the time allowed to Bitou's local SMMEs to remedy their municipal rates and taxes accounts with the Revenue Section as well as the Tax matters with SARS. This was allowed to the benefit to the SMMEs in enhancing their participation in the municipality's procurement opportunities. Furthermore, there were instances where procurement related communiques were sent out to either the Project Managers or bidders to confirm technical matters. The response to such communiques were not attended to promptly by the recipients, resulting to unwarranted delays.

#	Description of Measurement Criteria	Average Calendar Days- 2023/24- Q1	Average Calendar Days- 2023/24- Q2
1	Average Calendar Days from Advertisement Date to Award	16	27
2	Average Calendar Days from Closing Date to Award	9	20

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 2023/24 financial year, only **one (1)** deviation was considered and approved to the value of **R 853 300.00** as follows:

DEVIATIONS APPROVED DURING THE 2023/2024 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2023 - Q2						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/S ERVICE PROVIDER	AMOUNT
1	13/12/2023	Windvogel J	Exceptional Case	The waste transfer station floor has been stockpiled with solid waste due to continues break down of Hook-Lift trucks responsible for the transportation of solid waste materials to the regional landfill site Backlog materials stock-piled at the Old Nick drop-off facilities during breakdowns was also moved to the waste transfer station adding further stockpiling of solid waste materials and all efforts to	South Cape Plant Hire	R 853 300.00

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				<p>reduce the materials proves insufficient. Currently one Hook-lift truck is still in repairs awaiting a formal order to be repaired creates further concern should the one remaining Hook-lift truck also break down. The #2 ranked service provider for SCM/2023/88/COMM was appointed to assist with transportation of waste materials due to the #1 ranked service provider not responding to requests. The #2 ranked service provider unfortunately is only able to provide one side tipper truck to assist with back-log which proves to be insufficient. With high season approaching fast the current back log will require approximately 4 side tippers over an 8 day period and a total of 32 loads to sufficiently move approximately 1700m³ of stock-piled solid waste materials to the regional landfill site in time to provide enough space for incoming waste during a period where a high influx of holiday makers generates approximately double the waste in December and January in relation to any other month during the year. The severe backlog and gross stockpiling of solid waste materials is having a major impact on the facility status in terms of compliance with facility conditions and immediate community of Kwanokuthula A letter regarding findings relating to the current status of the facility from DEA & DP detailing current status and possible repercussions is annexed hereto detailing major concern in terms of non-compliance of the facility.</p>		
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	<u>TOTAL</u>	<u>R 853 300.00</u>
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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 Q2:

Section from SCM Policy	Categories	Value (R) of Deviations Approved	
		Q1: 2023/24	Q2: 2023/24
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 0.00
36(1)(a)(v)	Exceptional case and it is impractical or impossible to follow the official procurement processes	R 282 139.98	R 853 300.00
	Total	<u>R 282 139.98</u>	<u>R 853 300.00</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 (BSC)** had scheduled twenty-one (21) meetings for the 2nd Quarter of the 2023/24 financial year. The Bid Specification Committee makes use of the Demand Management Plan as a strategic tool.

#	Description of Criteria	2023/24 Q1	2023/24 Q2
1	Bid Specification Committee Meetings scheduled and convened	8	21

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 2, 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,

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the Unit has introduced monthly reports in line with the Annual Procurement Plan, and submitted to the Municipal Manager, through the Office of the Chief Financial Officer.

7.5. Bid Evaluation Committees

For the Quarter 2, the **Bid Evaluation Committee (BEC)** has scheduled seven (7) meetings. However, there have been fewer delays experienced due to the non-availability of the members, which resulted to meetings being re-convened. Furthermore, there were also fewer back referral of items to Project Managers due to clarity being required on technical matters. One other reason for the delays has been as a result of the delayed submission of functionality evaluation reports by the Project Managers.

#	Description of Criteria	2023/24 Q1	2023/24 Q2
1	Bid Evaluation Committee Meetings scheduled and convened	12	7

7.6. Bid Adjudication Committees.

For the Quarter 2, the **Bid Adjudication Committee (BAC)** had scheduled eight (8) meetings.

#	Description of Criteria	2023/24 Q1	2023/24 Q2
1	Bid Adjudication Committee Meetings scheduled and convened	11	8

8. Irregular, Fruitless and Wasteful Expenditure.

For the 2nd Quarter of the 2023/24 financial year, the municipality had incurred a Fruitless and Wasteful Expenditure to the value of R5 500.00. This expenditure was as a result of a motorbike that was sent out for repairs at Plettenberg Bay Mowers (Pty) Ltd without following the SCM processes. After the motorbike was repaired, it could not be released as no procurement order was available to process the invoice. The delay in releasing the said motorbike had resulted in the service provider invoicing the municipality storage charges of about R200.00, which were subsequently escalated to R500.00 per day. Unfortunately, the total invoice was standing at R5 500.00, where it was compelling for Management to authorize for the release of the motorbike, in an attempt to avoiding the escalating daily storage charges. The Directorate of Financial Services will refer the matter to MPAC for further investigation.

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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 2nd Quarter, 01 October to 31 December 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 2nd Quarter, 01 October to 31 December 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 2nd Quarter, 01 October to 31 December 2023, of the 2023/24 financial year in terms of Section 6(3) of the SCM Policy.