

## Section 2: Finance

ITEM C/2/214/02/21

### REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE 4<sup>th</sup> QUARTER 01 APRIL TO 30 JUNE 2023

**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

**Report from:** Director: Financial Services

**Author:** Manager: Supply Chain Management

**Date:** 05 July 2023

#### 1. Purpose of the report

- 1.1. Report on the Implementation of the Supply Chain Management Policy, for the 4<sup>th</sup> Quarter, 01 April – 30 June of the 2022/23 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 2023.
- 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.

## Section 2: Finance

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 4<sup>th</sup> Quarter of the 2022/23 financial year.

2.7. The report also contains information about Potential Irregular Expenditure as identified, for the period 01 April until 30 June 2023.

### 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 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;

## Section 2: Finance

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 61 365 605.90 \*(VAT Incl.)** for 17 Tenders awarded by duly delegated Bid Adjudication Committees for tenders valued in excess of R 200 000 and/or the Accounting Officer for tenders valued in excess of R 10 million.

| BITOU MUNICIPALITY   |                 |   |                 |               |  |                     |   |
|--|-----------------|---|-----------------|---------------|--|---------------------|---|
| TENDERS AWARDED DURING THE 2022/23 FINANCIAL YEAR FOR THE PERIOD 01 April to 30 June 2023 - FINANCIAL YEAR |                 |   |                 |               |  |                     |   |
| #  | TENDER NUMBER   | DESCRIPTION   | PROJECT MANAGER | DATE OF AWARD | AWARDED TO   | B-BBEE STATUS LEVEL | TOTAL ESTIMATED AMOUNT (Including VAT)  |
| 1  | SCM/2023/56/ENG | Appointment of Panel for Supply and delivery of Electrical and Mechanical materials from 01 July 2023 to 30 June 2026 on a Panel of service providers | Cupido J        | 2023/05/12    | Actom Electrical Products a division of Actom (Pty) Ltd                            | 1                   | Rate based, subject to availability of funds, limited to less than 10 mil (Incl. VAT) |
| 1  | SCM/2023/56/ENG | Appointment of Panel for Supply and delivery of Electrical and Mechanical materials from 01 July 2023 to 30 June 2026 on a Panel of service providers | Cupido J        | 2023/05/12    | Artivolt SA (Pty) Ltd  | 0                   | Rate based, subject to availability of funds, limited to less than 10 mil (Incl. VAT) |
| 1  | SCM/2023/56/ENG | Appointment of Panel for Supply and delivery of Electrical and Mechanical materials from 01 July 2023 to 30 June 2026 on a Panel of service providers | Cupido J        | 2023/05/12    | Rihati Utility Services (Pty) Ltd  | 0                   | Rate based, subject to availability of funds, limited to less than 10 mil (Incl. VAT) |
| 1  | SCM/2023/56/ENG | Appointment of Panel for Supply and delivery of Electrical and Mechanical materials from 01 July 2023 to 30 June 2026 on a Panel of service providers | Cupido J        | 2023/05/12    | Siyphambili Electrical and Industrial Supplies CC                                  | 1                   | Rate based, subject to availability of funds, limited to less than 10 mil (Incl. VAT) |
| 2  | SCM/2023/66/ENG | Supply & Delivery and Off-loading of Chlorine Gas   | Tarentaal R     | 2023/04/14    | Metsi Chem Ikapa (Pty) Ltd   | 1                   | Rate based, subject to availability of funds.   |
| 3  | SCM/2023/69/FIN | Provision of Debt Collection Services on a Panel for a period ending 30 June 2025   | Zindlu A        | 2023/04/14    | Finovo Inc., lead bidder for the JFS Consortium, subject to concluding negotiation | 4                   | Commission on Successful collection on Debt - 8%                                      |

## Section 2: Finance

| BITOU MUNICIPALITY   |                 |  |                 |               |   |                     |  |
|--|-----------------|--|-----------------|---------------|---|---------------------|--|
| TENDERS AWARDED DURING THE 2022/23 FINANCIAL YEAR FOR THE PERIOD 01 April to 30 June 2023 - FINANCIAL YEAR |                 |  |                 |               |   |                     |  |
| #  | TENDER NUMBER   | DESCRIPTION  | PROJECT MANAGER | DATE OF AWARD | AWARDED TO  | B-BBEE STATUS LEVEL | TOTAL ESTIMATED AMOUNT (Including VAT)           |
| 3  | SCM/2023/69/FIN | Provision of Debt Collection Services on a Panel for a period ending 30 June 2025  | Zindlu A        | 2023/04/14    | Imani Business Advisory Services (Pty) Ltd, subject to concluding negotiation | 1                   | Commission on Successful collection on Debt - 8% |
| 3  | SCM/2023/69/FIN | Provision of Debt Collection Services on a Panel for a period ending 30 June 2025  | Zindlu A        | 2023/04/14    | Kumyolz Investments (Pty) Ltd, subject to concluding negotiation              | 1                   | Commission on Successful collection on Debt - 8% |
| 3  | SCM/2023/69/FIN | Provision of Debt Collection Services on a Panel for a period ending 30 June 2025  | Zindlu A        | 2023/04/14    | Revenue Consulting (Pty) Ltd, subject to concluding negotiation               | 1                   | Commission on Successful collection on Debt - 8% |
| 4  | SCM/2023/70/FIN | Supply & Delivery of Toilet paper - Ranked 1   | Xabendlini Z    | 2023/04/26    | Giftedjack (Pty) Ltd  | 0                   | Rate based, subject to availability of funds.    |
| 4  | SCM/2023/70/FIN | Supply & Delivery of Marked Refuse Bags- Blue & Black - Ranked 2   | Xabendlini Z    | 2023/04/26    | K2 Squared Trading Project  | 0                   | Rate based, subject to availability of funds.    |
| 4  | SCM/2023/70/FIN | Supply & Delivery of Kitchen towels - Ranked 2   | Xabendlini Z    | 2023/04/26    | KFC Engineering & Industrial Supplies (Pty) Ltd t/a KFC Pipes and Fittings    | 1                   | Rate based, subject to availability of funds.    |
| 4  | SCM/2023/70/FIN | Supply & Delivery of Toilet paper - Ranked 2   | Xabendlini Z    | 2023/04/26    | LBC Multiserv (Pty) Ltd   | 0                   | Rate based, subject to availability of funds.    |
| 4  | SCM/2023/70/FIN | Supply & Delivery of Kitchen towels - Ranked 1   | Xabendlini Z    | 2023/04/26    | Memotek Trading CC  | 1                   | Rate based, subject to availability of funds.    |
| 4  | SCM/2023/70/FIN | Supply & Delivery of Marked Refuse Bags- Blue - Ranked 1 & Yellow - Ranked 2   | Xabendlini Z    | 2023/04/26    | Senamila Projects (Pty) Ltd   | 0                   | Rate based, subject to availability of funds.    |
| 5  | SCM/2023/71/FIN | Supply & Delivery of Section 1: Multi-Functional Office Paper- Size A3- White - Ranked 2   | Xabendlini Z    | 2023/04/26    | Azilanga Projects (Pty) Ltd   | 1                   | Rate based, subject to availability of funds.    |
| 5  | SCM/2023/71/FIN | Supply & Delivery of Section 1: Multi-Functional Office Paper- Size A3- White - Ranked 1   | Xabendlini Z    | 2023/04/26    | Enzel 186 CC  | 1                   | Rate based, subject to availability of funds.    |
| 5  | SCM/2023/71/FIN | Supply & Delivery of Section 1: Multi-Functional Office Paper- Size A4- White - Ranked 2 ; Section 2:Printing / Copy Paper- Pastel Colours- A4 - Blue & Yellow - Ranked 2; Pink; Green;Peach;Orange - Ranked 1 | Xabendlini Z    | 2023/04/26    | Platinum Suppliers (Pty) Ltd  | 1                   | Rate based, subject to availability of funds.    |
| 5  | SCM/2023/71/FIN | Supply & Delivery of Section 1: Multi-Functional Office Paper- Size A4- White - Ranked 1   | Xabendlini Z    | 2023/04/26    | Senamila Projects (Pty) Ltd   | 0                   | Rate based, subject to availability of funds.    |
| 5  | SCM/2023/71/FIN | Supply & Delivery of Section 2:Printing / Copy Paper- Pastel Colours- A4 - Blue & Yellow - Ranked 1; Pink;   | Xabendlini Z    | 2023/04/26    | Tumile Bambix Project (Pty) Ltd   | 1                   | Rate based, subject to availability of funds.    |

## Section 2: Finance

| BITOU MUNICIPALITY   |                  |  |                 |               |                                     |                     |  |
|--|------------------|--|-----------------|---------------|-------------------------------------|---------------------|--|
| TENDERS AWARDED DURING THE 2022/23 FINANCIAL YEAR FOR THE PERIOD 01 April to 30 June 2023 - FINANCIAL YEAR |                  |  |                 |               |                                     |                     |  |
| #  | TENDER NUMBER    | DESCRIPTION  | PROJECT MANAGER | DATE OF AWARD | AWARDED TO                          | B-BBEE STATUS LEVEL | TOTAL ESTIMATED AMOUNT (Including VAT)   |
|  |                  | Green;Peach;Orange - Ranked 2  |                 |               |                                     |                     |  |
| 6  | SCM/2023/72/FIN  | The Development and Implementation of a Revenue Enhancement Programme  | Zindlu A        | 2023/04/26    | PricewaterhouseCoopers Inc.         | 1                   | Rate based, subject to availability of funds.  |
| 7  | SCM/2023/73/FIN  | SCM/2023/73/FIN: Provision of an External Loan to the amount of R35 255 300,00   | Korff E         | 2023/05/05    | Nedbank Limited                     | 1                   | R 60,365,606.91  |
| 8  | SCM/2023/77/ENG  | Installation of Security Fencing in the greater Bitou area for a multi-year period ending 30 June 2025 on a Panel of Contractors   | Rhode M         | 2023/04/26    | Hyman Masterfence (Pty) Ltd         | 1                   | Rate based, subject to availability of funds.  |
| 8  | SCM/2023/77/ENG  | Installation of Security Fencing in the greater Bitou area for a multi-year period ending 30 June 2025 on a Panel of Contractors   | Rhode M         | 2023/04/26    | MB Fencing & Civils (Pty) Ltd       | 1                   | Rate based, subject to availability of funds.  |
| 9  | SCM/2023/78/CORP | Provision and Maintenance of Public Safety Incident Management and Communications Information System   | Gresse G        | 2023/06/02    | SpinningYourWeb (Pty) Ltd           | 4                   | Rate based, subject to availability of funds.  |
| 10   | SCM/2023/79/COMM | Supply & Delivery of 6m <sup>3</sup> Waste Skip Bins   | Baartman D      | 2023/04/14    | Mdibi Tours Logistics & Projects    | 1                   | Rate based, subject to availability of funds.  |
| 11   | SCM/2023/80/CORP | Provision of Secure Mobile Data Services   | Gresse G        | 2023/06/15    | Telkom SA (SOC Ltd)                 | 2                   | Rate based, subject to availability of funds.  |
| 12   | SCM/2023/81/CORP | The Supply, Delivery of IP Cameras and Equipment   | Gresse G        | 2023/06/02    | Bona Electronic Solutions (Pty) Ltd | 1                   | Rate based, subject to availability of funds.  |
| 13   | SCM/2023/84/ENG  | Construction Health & Safety Services for multi-year period ending 30 June 2026  | Rhode M         | 2023/04/26    | Sheqomspec (Pty) Ltd                | 4                   | Rate based, subject to availability of funds.  |
| 14   | SCM/2023/85/ENG  | Professional Engineering Services for a multi-year period ending 30 June 2026: TRANSPORT - Ranked 1; WATER SERVICES - Ranked 1; ELECTRICAL - Ranked 2; ENERGY - Ranked 2; SOLID WASTE - Ranked 1 | Rhode M         | 2023/06/09    | SMEC South Africa (Pty) Ltd         | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 14   | SCM/2023/85/ENG  | Professional Engineering Services for a multi-year period ending 30 June 2026: TRANSPORT - Ranked 2  | Rhode M         | 2023/06/09    | Urban Engineering (Pty) Ltd         | 3                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 14   | SCM/2023/85/ENG  | Professional Engineering Services for a multi-year period ending 30 June 2026: TRANSPORT - Ranked 3  | Rhode M         | 2023/06/09    | Quantra Consulting SA (Pty) Ltd     | 1                   | Rate based, subject to availability of funds , awarded   |

## Section 2: Finance

| BITOU MUNICIPALITY   |                 |   |                 |               |   |                     |  |
|--|-----------------|---|-----------------|---------------|---|---------------------|--|
| TENDERS AWARDED DURING THE 2022/23 FINANCIAL YEAR FOR THE PERIOD 01 April to 30 June 2023 - FINANCIAL YEAR |                 |   |                 |               |   |                     |  |
| #  | TENDER NUMBER   | DESCRIPTION   | PROJECT MANAGER | DATE OF AWARD | AWARDED TO                                | B-BBEE STATUS LEVEL | TOTAL ESTIMATED AMOUNT (Including VAT)   |
|  |                 |   |                 |               |   |                     | in terms of transactions over R10 million (Incl. VAT)  |
| 14   | SCM/2023/85/ENG | Professional Engineering Services for a multi-year period ending 30 June 2026: TRANSPORT - Ranked 4; WATER SERVICES - Ranked 2; ELECTRICAL - Ranked 1; ENERGY - Ranked 1  | Rhode M         | 2023/06/09    | Neil Lyners and Associates RF (Pty) Ltd   | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 14   | SCM/2023/85/ENG | Professional Engineering Services for a multi-year period ending 30 June 2026: TRANSPORT - Ranked 5; WATER SERVICES - Ranked 4; STRUCTURAL - Ranked 3; ELECTRICAL - Ranked 3; ENERGY - Ranked 3; MECHANICAL- Ranked 1; SOLID WASTE - Ranked 2 | Rhode M         | 2023/06/09    | Zutari (Pty) Ltd                          | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 14   | SCM/2023/85/ENG | Professional Engineering Services for a multi-year period ending 30 June 2026: WATER SERVICES - Ranked 3  | Rhode M         | 2023/06/09    | Engineering Advice and Services (Pty) Ltd | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 14   | SCM/2023/85/ENG | Professional Engineering Services for a multi-year period ending 30 June 2026: WATER SERVICES - Ranked 5; STRUCTURAL - Ranked 5   | Rhode M         | 2023/06/09    | Infra Champs Consulting (Pty) Ltd         | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 14   | SCM/2023/85/ENG | Professional Engineering Services for a multi-year period ending 30 June 2026: STRUCTURAL - Ranked 1  | Rhode M         | 2023/06/09    | Naido Consulting (Pty) Ltd                | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 14   | SCM/2023/85/ENG | Professional Engineering Services for a multi-year period ending 30 June 2026: STRUCTURAL - Ranked 2  | Rhode M         | 2023/06/09    | V3 Consulting Engineers (Pty) Ltd         | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 14   | SCM/2023/85/ENG | Professional Engineering Services for a multi-year period ending 30 June 2026: STRUCTURAL - Ranked 4  | Rhode M         | 2023/06/09    | Nadeson Consulting Services (Pty) Ltd     | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over                         |

## Section 2: Finance

| BITOU MUNICIPALITY   |                   |   |                 |               |   |                     |  |
|--|-------------------|---|-----------------|---------------|---|---------------------|--|
| TENDERS AWARDED DURING THE 2022/23 FINANCIAL YEAR FOR THE PERIOD 01 April to 30 June 2023 - FINANCIAL YEAR |                   |   |                 |               |   |                     |  |
| #  | TENDER NUMBER     | DESCRIPTION   | PROJECT MANAGER | DATE OF AWARD | AWARDED TO  | B-BBEE STATUS LEVEL | TOTAL ESTIMATED AMOUNT (Including VAT)   |
|  |                   |   |                 |               |   |                     | R10 million (Incl. VAT)  |
| 14   | SCM/2023/85/ENG   | Professional Engineering Services for a multi-year period ending 30 June 2026: ELECTRICAL - Ranked 4; ENERGY - Ranked 4; MECHANICAL - Ranked 2  | Rhode M         | 2023/06/09    | Clinkscapes Maughan-Brown South (Pty) Ltd         | 1                   | Rate based, subject to availability of funds , awarded in terms of transactions over R10 million (Incl. VAT) |
| 15   | SCM/2023/92/COMM  | Supply & Delivery of Law Enforcement Officers Uniforms  | Mkitha S        | 2023/06/30    | Sparks and Ellis (Pty) Ltd                        | 1                   | Rate based, subject to availability of funds.  |
| 15   | SCM/2023/92/COMM  | Supply & Delivery of Law Enforcement Officers Uniforms  | Mkitha S        | 2023/06/30    | Bhekumseti Glass and Alluminium (Pty) Ltd         | 1                   | Rate based, subject to availability of funds.  |
| 16   | SCM/2023/93/EDP   | Appointment of a Service Provider to undertake the operational responsibilities/core functions of the Local Tourism Organisation (LTO) in terms of Destination Marketing, Destination Management and Destination Development. | Gericke L       | 2023/06/30    | Plett Tourism Association (Voluntary Association) | 4                   | R 999,999.99   |
| 17   | SCM/2023/106/CORP | Supply, Deliver and Installation of a GIS Enterprise License Agreement Including Support and Maintenance  | Lewis G         | 2023/06/30    | ESRI South Africa (Pty) Ltd                       | 1                   | Rate based, subject to availability of funds.  |

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

## Section 2: Finance

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

| #   | Description   | 4 <sup>th</sup> Quarter<br>2022/23 | 3 <sup>rd</sup> Quarter<br>2022/23 |
|-----|---|------------------------------------|------------------------------------|
| 1.  | Tenders Awarded   | 17                                 | 18                                 |
| 2.  | Contracts concluded resulting from the tenders.<br>(Individual suppliers or service providers appointed as a result of the tenders awarded) | 44                                 | 32                                 |
| 3.  | Estimated Value of Tenders Awarded  | <b>R 61,365,605.90</b>             | <b>R 10,457,438.85</b>             |
| 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   | 37                                 | 28                                 |
| 8.  | Value of Contracts Awarded to B-BBEE Enterprises  | <b>R 61,365,605.90</b>             | <b>R10,457,438.85</b>              |
| 9.  | % of Contracts Awarded to B-BBEE Enterprises  | <b>100%</b>                        | <b>100%</b>                        |
| 10. | Number of Contracts Awarded to Enterprises based in the Bitou Municipality Area   | 5                                  | 11                                 |
| 11. | Value of Contracts Awarded to Enterprises based in the Bitou Municipality Area  | <b>Various Rates</b>               | <b>R 7,327,587.25</b>              |
| 12. | % of Contracts Awarded to Enterprises based in the Bitou Municipality Area vs All Contracts   | <b>13.5%</b>                       | <b>70.07%</b>                      |
| 13. | Sub-Contracts to Local SMME's   | <b>0</b>                           | <b>0</b>                           |
| 14. | % of Contracts & Sub-Contracts Awarded to Local SMME's vs All Contracts   | <b>0</b>                           | <b>0</b>                           |

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



## Section 2: Finance

### 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- 2022/23- Q4 | Average Calendar Days- 2022/23- Q3 |
|----|--|------------------------------------|------------------------------------|
| 1. | Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC)- Full Procurement Cycle | <b>102</b>                         | <b>140</b>                         |
| 2. | Average Calendar Days from Tender Advertisement Date to BAC  | <b>92</b>                          | <b>116</b>                         |
| 3. | Average Calendar Days from Tender Closing Date to BAC  | <b>66</b>                          | <b>98</b>                          |
| 4. | Average Calendar Days from Tender Closing Date to BEC- Tender Evaluation   | <b>59</b>                          | <b>86</b>                          |
| 5. | Tender with Fastest Procurement Process: BSC to BAC  | <b>21</b>                          | <b>156</b>                         |
| 6. | Tender with Longest Procurement Process: BSC to BAC  | <b>205</b>                         | <b>111</b>                         |

### 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. **Thirteen (13)** RFQ's were awarded by Directors in terms of their delegated authority for a total value as follows:

| REQUESTS FOR QUOTATIONS REGISTER FOR THE 2022/23 FINANCIAL YEAR 01 APRIL to 30 JUNE 2023 |                      |  |                 |               |   |                     |                                    |
|--|----------------------|--|-----------------|---------------|---|---------------------|------------------------------------|
| #  | RFQ NUMBER           | DESCRIPTION  | PROJECT MANAGER | DATE OF AWARD | AWARDED TO                                  | B-BBEE STATUS LEVEL | TOTAL ESTIMATED AMOUNT (VAT Incl.) |
| 1  | SCM/RFQ/2023/72/ENG  | Supply & Delivery of 1x600 Litre Plastic Diesel Bowser | S Sunkar        | 2023/05/10    | Short Nissan CC                             | 2                   | R 135,245.75                       |
| 2  | SCM/RFQ/2023/73/ENG  | Re-advertisement of Tools & Equipment                  | R Tarentaal     | 2023/04/14    | Plett Building Suppliers t/a Plett Build it | 0                   | R 62,608.70                        |
| 3  | SCM/RFQ/2023/80/COMM | Provision of Waterworks Telemetry System Upgrade       | E Tarentaal     | 2023/04/20    | Ampletek (Pty)Ltd                           | 4                   | R 71,520.00                        |
| 4  | SCM/RFQ/2023/82/ENG  | Renovations of engineering services office floors      | A Mgoqi         | 2023/06/14    | Kukokonke Trading (Pty) Ltd                 | 1                   | R 100,000.00                       |

## Section 2: Finance

| REQUESTS FOR QUOTATIONS REGISTER FOR THE 2022/23 FINANCIAL YEAR 01 APRIL to 30 JUNE 2023 |                      |   |                 |               |  |                     |   |
|--|----------------------|---|-----------------|---------------|--|---------------------|---|
| #  | RFQ NUMBER           | DESCRIPTION   | PROJECT MANAGER | DATE OF AWARD | AWARDED TO                                 | B-BBEE STATUS LEVEL | TOTAL ESTIMATED AMOUNT (VAT Incl.)  |
| 5  | SCM/RFQ/2023/89/COMM | Supply & Delivery of Emergency Housing Materials                                  | F Maki          | 2023/04/18    | Bhungane Nasele Group Internationals       | 1                   | Rate based, subject to availability of funds & not exceeding R200 000.00 Incl. VAT for both awarded companies |
| 5  | SCM/RFQ/2023/89/COMM | Supply & Delivery of Emergency Housing Materials                                  | F Maki          | 2023/04/18    | Plett Building Supplies t/a Plett Build IT | 0                   | Rate based, subject to availability of funds & not exceeding R200 000.00 Incl. VAT for both awarded companies |
| 6  | SCM/RFQ/2023/92/CORP | Supply & Delivery of working from Heights Equipment                               | E Tarentaal     | 2023/05/31    | Memotek Trading CC                         | 1                   | Rate based, subject to availability of funds & not exceeding R200 000.00 Incl. VAT for both awarded companies |
| 7  | SCM/RFQ/2023/95/COMM | Re-Advertisement Provision of Law Enforcement Uniform                             | S Mkitha        | 2023/05/24    | Locksogan Logging CC t/a Zigg Zag Branding | 4                   | Rate based, subject to availability of funds & not exceeding R200 000.00 Incl. VAT for both awarded companies |
| 7  | SCM/RFQ/2023/95/COMM | Re-Advertisement Provision of Law Enforcement Uniform                             | S Mkitha        | 2023/05/24    | Sparks and Ellis (Pty) Ltd                 | 1                   | Rate based, subject to availability of funds & not exceeding R200 000.00 Incl. VAT for both awarded companies |
| 8  | SCM/RFQ/2023/96/COMM | Re-advertising Renovations of Human Settlements Offices                           | F Maki          | 2023/05/31    | Bucwebe Bezwe Services (Pty) Ltd           | 1                   | R 78,227.83   |
| 9  | SCM/RFQ/2023/100/MM  | Provision of SOUND SYSTEM, STAGE AND LIGHTS for the 16 June Celebrations          | T Meyer         | 2023/06/12    | K2 Squared Trading Project (Pty) Ltd       | 0                   | R 135,500.00  |
| 10   | SCM/RFQ/2023/101/MM  | Supply and delivery CATERING INGREDIENTS for the 16 June Celebrations             | T Meyer         | 2023/06/12    | S'phethezona Trading and Investments CC    | 0                   | R 47,782.00   |
| 11   | SCM/RFQ/2023/102/MM  | Supply and delivery CATERING SERVICES for the VIP Section at 16 June Celebrations | T Meyer         | 2023/06/12    | Shekynah Projects CC                       | 1                   | R 19,560.00   |
| 12   | SCM/RFQ/2023/103/MM  | Provision of EVENTS MANAGEMENT for the 16 June Celebrations                       | T Meyer         | 2023/06/07    | K2 Squared Trading Project (Pty) Ltd       | 0                   | R 199,000.00  |

## Section 2: Finance

| REQUESTS FOR QUOTATIONS REGISTER FOR THE 2022/23 FINANCIAL YEAR 01 APRIL to 30 JUNE 2023 |                        |  |                 |               |                             |                     |                                    |
|--|------------------------|--|-----------------|---------------|-----------------------------|---------------------|------------------------------------|
| #  | RFQ NUMBER             | DESCRIPTION  | PROJECT MANAGER | DATE OF AWARD | AWARDED TO                  | B-BBEE STATUS LEVEL | TOTAL ESTIMATED AMOUNT (VAT Incl.) |
| 13   | SCM/RFQ/2023/104/COR P | Supply & Delivery of Public Safety Cameras and Equipment | E Tarentaal     | 2023/06/15    | Sime and Mzweida Trading CC | 1                   | R 49,692.62                        |

6.3. The average time for processing was **26** days, which has increased compared quarter 3 **2022/2023 (19 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.

### 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 4<sup>th</sup> Quarter of the 2022/23 financial year, **3** deviations were considered and approved to the value of **R 96 226.23** as follows.

| DEVIATIONS APPROVED DURING THE 2022/2023 FINANCIAL YEAR FOR THE PERIOD 01 APRIL TO 30 JUNE 2023- 4 <sup>TH</sup> QUARTER |               |                 |                      |  |                                 |             |
|--|---------------|-----------------|----------------------|--|---------------------------------|-------------|
| #  | DATE APPROVED | PROJECT MANAGER | REASON FOR DEVIATION | MOTIVATION FOR DEVIATION   | SUPPLIER/SE RVICE PROVIDER      | AMOUNT      |
| 1  | 2023/04/19    | C Koeberg       | Sole Provider        | The Leadership Academy for Guardians of Governance is a wholly owned subsidiary of The Institute of Internal Auditors South Africa (IIA SA), which is recognised as a Professional Body by the South African Qualifications Authority (SAQA). The Institute of Internal Auditors South Africa (IIA SA) is part of an international network representing the interests of Internal Auditors worldwide. The IIA SA supports the profession by providing a wide range of services dedicated to the education and advancement of internal auditors and dynamically promoting and developing the profession in South Africa | <b>Leadership Academy</b>       | R 4,863.81  |
| 2  | 2023/04/11    | J Cupido        |                      | On 6 April 2023, the Electrical and Energy Division were informed of a power failure which affected both Brakkloof and Kwanokuthula 66kV Substations. This affected 50% of the total customer base.<br><br>Upon investigation, it was discovered that the overhead line has been badly damaged due to a few trees which encroached the 66kV line causing an arc and damaging causing a break in the power supply. The maintenance team also discovered that the  | <b>AM Technologies Solution</b> | R 52,779.00 |

## Section 2: Finance

|   |            |            |   |  |                      |                    |
|---|------------|------------|---|--|----------------------|--------------------|
|   |            |            |   | <p>magnitude of trees was extreme as the overhead line ran through private properties.</p> <p>As a result, the maintenance team required many trees and vegetation to be cleared to access the broken overhead line for repairs.</p> <p>The Division reached out to the Community Services department who then appointed a contractor to clear the trees before any maintenance works could proceed. After the clearance on the same day, the maintenance team was able to repair the line and switch the power back on.</p> <p>Subsequently, the contractor submitted their invoice and the Electrical and Energy Division agreed with the price together with the Community Services Department</p>  |                      |                    |
| 3 | 2023/05/17 | D Baartman | Exceptional Case / Impractical and Impossible | <p>The annexed lease agreement between The Robberg Trust and Bitou Municipality stipulates a annual amount payable for the lease of the property providing access to the rehabilitated Robberg landfill site. The facility closure license conditions stipulate the Municipality's responsibility in terms of the complete rehabilitation of the site as well as the management and monitoring reporting compliance requirements for the site. Although the facility is fully closed access is required for the facility maintenance in terms of natural vegetation growth, infrastructure and perimeter fence inspections as well as regular leachate and storm water dam level inspections and draining thereof when requires. Quarterly internal audits and annual external audits compliance requirements are also catered for in terms of access to the facility.</p> | <b>Robberg Trust</b> | R38,583.42         |
|   |            |            |   |  | <b>TOTAL</b>         | <b>R 96 226.23</b> |

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 Q4:2022/23 financial year:

## Section 2: Finance

| Section from SCM Policy | Categories  | Value (R) of Deviations Approved |                              |
|-------------------------|---|----------------------------------|------------------------------|
|                         |   | Q4: 2022/23                      | Q3: 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 | <b>R 0.00</b>                    | <b>R 1,135,050.00</b>        |
| 36(1)(a)(ii)            | Where it can be demonstrated that goods or services are produced or available from a single provider only   | <b>R 4 863.81</b>                | <b>R 96,810.00</b>           |
| 36(1)(a)(v)             | Exceptional case and it is impractical or impossible to follow the official procurement processes   | <b>R 91 362.42</b>               | <b>R 3,788.26</b>            |
|                         | <b>Total</b>  | <b><u>R 96 226.23</u></b>        | <b><u>R 1 235 648.26</u></b> |

7.3. The applications for deviations are continuously monitored in an attempt 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 Fifteen (15) meetings for the third quarter. The Bid Specification Committee makes use of the Demand Management Plan as a strategic tool.

Even though we have experienced challenges, receiving specifications from the project managers on various occasion there has been a huge improvement from the project managers responding in this regard. This has been an improvement and huge achievement for Supply Chain Management unit.

The Bitou Annual Procurement Plan for the 2022/23 which has emanated from the budget being confirmed. That the Supply Chain Management unit is processing the procurement against the Bitou Annual Procurement Plan for the 2022/23 in the fourth quarter.

### 7.5. Bid Evaluation & Adjudication Committees

The **Bid Evaluation & Adjudication Committees** had scheduled Forty Five (45); Twenty Six (26) meetings for the quarter respectively. The current delays experienced are due to the new process of appointment for the bid committees based on non-availability of the members. Also due to submissions of functionality evaluation reports and availability of project managers.

## 8. Financial Implication

8.1. Financial implications are inherent in this financial report.

## **Section 2: Finance**

### **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 4<sup>th</sup> Quarter, **01 April to 30 June 2023**, of the 2022/23 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 4<sup>th</sup> Quarter, 01 April to 31 March 2023, of the 2022/23 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 4<sup>th</sup> Quarter, 01 April to 30 June 2023, of the 2022/23 financial year in terms of Section 6(3) of the SCM Policy.