

Section 2: Finance

ITEM C/2/155/10/23

REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE 3RD QUARTER 01 JANUARY TO 31 MARCH 2024

Portfolio Comm: Finance & Engineering

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

Demarcation: All Wards

Delegation: Council

Attachments:

Annexure A: Comparative Tender Schedule

Annexure B: Tenders Procurement Timeline

Annexure C: Comparative Formal Written Price Quotations Schedule

Annexure D: Formal Written Price Quotations Procurement Timeline

Report from:

Director: Financial Services

Author:

Manager: Supply Chain Management

Date:

12 April 2024

1. **PURPOSE OF THE REPORT**

- 1.1. Report on the Implementation of the Supply Chain Management Policy, for the 3rd Quarter, 01 January - 31 March 2024 of the 2023/24 procurement 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 3rd Quarter of the 2023/24 procurement year.

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

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

#	Committee	Composition & Functions
1.	Bid Specification Committee - BSC	The appointed Chairpersons and Committee Members, the Project Managers and a Senior SCM Practitioner, in line with Sec 27 of the Bitou Supply Chain Management Policy, consider tender specifications, and recommend to the Accounting Officer for approval.
2.	Bid Evaluation Committee - BEC	The appointed Chairpersons and Committee Members, the Project Managers and a Senior SCM Practitioner, in line with Sec 28 of the Bitou Supply Chain Management Policy, considers tender evaluation reports and make recommendations to the BAC.
3.	Bid Adjudication Committee - BAC	In line with Sec 29 of the Bitou Supply Chain Management Policy, at least four (04) Senior Managers (with the CFO being the Chairperson), and Senior SCM Practitioner (not the same BEC SCM Practitioner) consider recommendations from the BEC and make awards below R10m. However, if an award is above R10m, the BEC recommends such an award to the Accounting Officer to award.

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

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

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

3.1.3. 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.

3.2. 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. Awards below R10m: The tender awards made for the Q3 period are valued at approximately **R13,113,368.00** (VAT Incl.). There were **four (4)** Tenders awarded by duly delegated Bid Adjudication Committees. The referred awards were valued for more than R300 000 but less than R10 million.

4.2. Awards above R10m: The tender awards made for the Q3 period are valued at approximately **R132,052,906.00** (VAT Incl.). There were **two (2)** Tenders awarded by duly delegated Accounting Officer. The referred awards are quantified as follows: -

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- 4.2.1. Attainment of Airport Business and long-term lease: The Plettenberg Bay Airport- with an income offer with an estimated value R116,134,906.00 (*Rental over a period of 30 years – R111,184,906.05 + Purchase of airport business - R4,950,000.00 (Incl. VAT).*
- 4.2.2. Appointment of Professional Resource Team for Integrated Human Settlements Projects for a multi-year period ending 30 June 2027

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TENDERS AWARDED DURING THE 2023/24 PROCUREMENT YEAR FOR THE QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2024								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/2023/130/EDP	Attainment of Airport Business and long-term lease: The Plettenberg Bay Airport	Gericke L	2024-01-12	RSA Aero Limited	0	Cape Town	Rental income exceeding R 10mil (Incl. VAT)
2	SCM/2024/19/CORP	Provision of Handling of Fire Arms Training for a Period Ending 30 June 2027.	Cunningham V / Sebezo P	2024-03-05	Zibar Security Services (Pty) Ltd t/a FCATC	0	Humansdorp	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
3	SCM/2024/14/COMM	Appointment of Professional Resource Team for Integrated Human Settlements Projects for a multi-year period ending 30 June 2027	Maki F	2024-03-05	IX Engineers (Pty) Ltd	1	Belville	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)
3	SCM/2024/14/COMM	Appointment of Professional Resource Team for Urban Civil Services for a multi-year period ending 30 June 2027	Maki F	2024-03-05	Neil Lyners & Associates (Pty) Ltd	6	Bitou	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)
4	SCM/2024/21/FIN	The supply, delivery, installation, training and commissioning of the most optimal prepaid electricity vending system solution for electricity STS meters, including a cloud based back-end, billing system integration and distributed 3rd party 24-hour vending and revenue protection services, offered by the tenderer within the framework and performance specifications as detailed in this document for a Period Ending 30 June 2027	Zindlu A	2024-03-05	Utilities World (Pty) Ltd	2	Durban	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
5	SCM/2024/22/ENG	Street lighting and Floodlighting Installations in various areas for a period ending 30 June 2027	Rhode MJ	2024-03-05	SNR Electrical CC	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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TENDERS AWARDED DURING THE 2023/24 PROCUREMENT YEAR FOR THE QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2024								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
6	SCM/2024/36/ENG	Supply, deliver and off-loading of Water Purification chemicals for the Desalination plant for a Period Ending 30 June 2027	Tarentaal R	2024-03-05	Rheochem (Pty) Ltd	1	Pinetown	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2024/36/ENG	Supply, deliver and off-loading of Water Purification chemicals for the Desalination plant for a Period Ending 30 June 2027	Tarentaal R	2024-03-05	Zana Manz'i Services (Pty) Ltd	1	Paarl	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2024/36/ENG	Supply, deliver and off-loading of Water Purification chemicals for the Desalination plant for a Period Ending 30 June 2027	Tarentaal R	2024-03-05	Situc Projects CC	1	George	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2024/36/ENG	Supply, deliver and off-loading of Water Purification chemicals for the Desalination plant for a Period Ending 30 June 2027	Tarentaal R	2024-03-05	Improchem (Pty) Ltd t/a AECI Water	2	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. B-BBEE Enterprises within the Bitou Municipality Area,
- 4.3.3. Enterprises within the Bitou Municipality Area.

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

#	Description	1 st Quarter 2023/24	2 nd Quarter 2023/24	3 rd Quarter 2023/24
1.	Tenders Awarded	13	13	6
2.	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed because of the tenders awarded)	32	23	10
3.	Estimated Value of Tenders Awarded	R 26,971,627.91	R61,350,024.47	R145,166,274.00
4.	Number of Appeals Received	0	1	1
5.	Number of Appeals in Progress	0	0	1
6.	Number of successful appeals	0	0	0
7.	Number of Contracts Awarded to B-BBEE Enterprises	23	16	8
8.	Value of Contracts Awarded to B-BBEE Enterprises	R 26,971,627.91	R50,585,024.47	R28,713,008.00
9.	% of Contracts Awarded to B-BBEE Enterprises	98.89%	69.57%	80.00%
10.	Number of Contracts Awarded to Enterprises based in the Bitou Municipality Area	4	5	2
11.	Value of Contracts Awarded to Enterprises based in the Bitou Municipality Area	Various Rates	Various Rates	Various Rates
12.	% of Contracts Awarded to Enterprises based in the Bitou Municipality Area vs All Contracts	0	21.74%	20.00%
13.	Sub-Contracts to Local SMME's	0	0	0

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#	Description	1 st Quarter 2023/24	2 nd Quarter 2023/24	3 rd Quarter 2023/24
14.	% of Contracts & Sub-Contracts Awarded to Local SMME's vs All Contracts	0	0	0

4.5. All tenders were opened in public, and the results of the opening were 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

The performance of the SCM Unit is measured by the turn-around time on its procurement processes. This can either be on a target of 30 days for a regular tender process, with a 14-day advertisement period or 45 days for a tender advertised for a period of 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	Average Calendar Days Q3
1.	Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC) - Full Procurement Cycle	92	100	140
2.	Average Calendar Days from Tender Advertisement Date to BAC	73	85	129
3.	Average Calendar Days from Tender Closing Date to BAC	55	61	92
4.	Average Calendar Days from Tender Closing Date to BEC - Tender Evaluation	47	53	77
5.	Tender with Fastest Procurement Process: BSC to BAC	51	42	27
6.	Tender with Longest Procurement Process: BSC to BAC	144	140	90

6. Formal Written Price Quotations between R 30 000 and R 300 000

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.

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6.2. **Eleven (11)** RFQ's were awarded by the 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 PROCUREMENT YEAR FOR THE QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2024								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/RFQ/2024/43/ENG	Supply and Delivery of Office Furniture for Engineering Services Department.	Mr. L Mapasa	2024-01-31	Sidomela Trading Enterprise (Pty) Ltd	0	Bitou	R 121,350.00
2	SCM/RFQ/2024/51/CORP	Transport for Municipal Personnel attending Induction University of the Western Cape (Cape Town)	Mr. P Sebezo	2024-02-07	Melikhaya Elvis Nocezo t/a ME Nocezo	0	Bitou	Various rates, total transactions are limited to R 200 000.00 (Incl. VAT)
3	SCM/RFQ/2024/52/FIN	Supply and Delivery of Various Tyres	Mr. N Maredi	2024-02-21	Carmine Red (Pty) Ltd t/a Tyres and Treads-Knysna	0	Knysna	Various rates, total transactions are limited to R 200 000.00 (Incl. VAT)
4	SCM/RFQ/2024/47/ENG	Construction of Qolweni Cultural Village Minor Works	Ms. S Gobingca	2024-03-27	Sidomela Trading Enterprise (Pty) Ltd	0	Bitou	R 248,480.00
5	SCM/RFQ/2024/54/COMM	Green Valley Library: Remove existing Roof sheets and install new roof sheets incl underlay and Ancillary Works	Mr. V Moodley	2024-03-26	New Morning Construction CC	0	Bitou	R 203,895.00
6	SCM/RFQ/2024/55/COMM	Rebuild 1 Fire Damaged 40m2 Top Structure in Kwanokuthula: Erf 5440	Mr. F Maki	2024-03-22	Sidomela Trading Enterprise (Pty) Ltd	0	Bitou	R 199,620.00
7	SCM/RFQ/2024/56/ENG	Supply & delivery of Laboratory equipment and Reagents	Mr. R Tarentaal	2024-03-13	Sains Agencies CC	1	Gqeberha	R 129,610.75

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FORMAL WRITTEN PRICE QUOTATIONS AWARDED DURING THE 2023/24 PROCUREMENT YEAR FOR THE QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2024								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
8	SCM/2024/52/COMM	Relocation of Precast Toilets and Installation of Standpipes	Mr. F Maki	2024-03-15	APCOT Trading (Pty) Ltd	1	George	R 142,456.25
9	SCM/RFQ/2024/58/COMM	Repairs at Kurland Fire Station	Mr. A Benjamin	2024-03-26	Sidomela Trading Enterprise (Pty) Ltd	0	Bitou	R 132,185.00
10	SCM/RFQ/2024/61/ENG	Strip and quote a 16KV 500 Joule Surge Generator (Thumper)	Mr. MJ Rhode	2024-03-28	Memotek Trading CC	1	Cape Town	R 196,189.93
11	SCM/RFQ/2024/66/ENG	Supply and Delivery of Laboratory Instruments	Mr. R Tarentaal	2024-03-27	Sain's Agencies CC	1	Gqeberha	R 269,997.00

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The average time of processing the eleven (11) Formal Written Price Quotations in Q3 was **seventeen (17)** days. As per the SCM Unit's standard of measurement, the average time to processing a single Formal Written Price Quotations should be at least **ten (10)** days after the closure of the bid. However, this has reduced with 3 days as compared to Q2. Although there has been a decrease the following factors were still evident:

- Allow to Bitou's local SMMEs to remedy their municipal rates and taxes accounts with the Revenue Section; as well
- Tax matters with SARS, in addition
- Construction Industry Development Board (cidb) status renewals.
- 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	Average Calendar Days- 2023/24- Q3
1	Average Calendar Days from Advertisement Date to Award	16	27	25
2	Average Calendar Days from Closing Date to Award	9	20	17

7. Deviations from the SCM Policy

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 3rd Quarter of the 2023/24 procurement year, only **one (1)** deviation was considered and approved to the value of **R 2,251,824.61** as follows:

DEVIATIONS APPROVED DURING THE 2023/2024 PROCUREMENT YEAR FOR THE PERIOD 01 JANUARY TO 31 MARCH 2024 – Q3						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
1	2024-02-05	Pretorius I	Exceptional Case	The Bitou Municipality has been processing the procurement of services by Solvem (Previously known as Bytes) in relation to the SAMRAS Financial Management System since the advent of SCM Legislative regime, as it is	Solvem Consulting (Pty) Ltd	R 2,251,824.61

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				impractical to summarily replace the current system accordingly, it is deemed impractical to procure a Financial Management System and it is recommended that a deviation be considered for the procurement of the system with the concomitant services. The ICT Steering Committees have since resolved in the minutes of 04 February 2022 that Bitou will not go forward with joining a Centralised Financial System due to no feedback from the district.		
					<u>TOTAL</u>	<u>R 2,251,824.61</u>

7.1. 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 Q3:

Section from SCM Policy	Categories	Value (R) of Deviations Approved		
		Q1: 2023/24	Q2: 2023/24	Q3: 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	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	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	R2,251,824.61
	Total	<u>R 282 139.98</u>	<u>R 853 300.00</u>	<u>R2,251,824.61</u>

7.2. 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.

7.3. **Bid Specification Committee**

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The **Bid Specification Committee (BSC)** had scheduled **nine (9)** meetings for the 3rd Quarter of the 2023/24 procurement year. The Bid Specification Committee makes use of the Demand Management Plan as a strategic procurement tool.

#	Description of Criteria	2023/24 Q1	2023/24 Q2	2023/24 Q3
1	Bid Specification Committee Meetings scheduled and convened	8	21	9

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 3, 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, and submitted to the Municipal Manager, through the Office of the Chief Financial Officer.

Credit needs to be given to the Project Managers for the improvement toward the compilation of Bid Specifications. The SCM Unit has noted with exhilaration the timeous completion of tender specifications at the BSC Meetings. The latter connotes that the rate of back referrals of tender specifications from BSC to Project Managers, or the delays within the BSC processes due to the quality of tender specifications has reduced substantially. If such a reduction could be carried out or extended into the 2024/25 procurement year and beyond, the municipality would experience a trajectory performance on both the Capital and Grant Expenditure.

7.4. Bid Evaluation Committees

For the Quarter 3, the **Bid Evaluation Committee (BEC)** has scheduled **five (5)** 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/Technical Evaluation Committees (TECs).

#	Description of Criteria	2023/24 Q1	2023/24 Q2	2023/24 Q3
1	Bid Evaluation Committee Meetings scheduled and convened	12	7	5

7.5. Bid Adjudication Committees.

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For the Quarter 3, the **Bid Adjudication Committee (BAC)** had scheduled three (3) meetings.

#	Description of Criteria	2023/24 Q1	2023/24 Q2	2023/24 Q3
1	Bid Adjudication Committee Meetings scheduled and convened	11	8	3

8. Implementation of Preferential Procurement Regulations 2023

- 8.1. During the 2022/23 audit process, i.e., about November 2023, the Auditor-General SA had issued sixteen (16) of the municipalities within the Western Cape, a universal audit finding was based on non-compliance to Preferential Procurement Regulations of 2022, where it was observed that the preferential points-system was not applied to written quotations below R30 000 (VAT included) incurred from 16 January 2023. Among the referred sixteen (16) municipalities, the Bitou Municipality was one of the auditees.
- 8.2. The referred finding has resulted in back-to-back submissions between the affected municipalities and the Office of the WC Auditor-General, where it eventually resulted into the WC Provincial Treasury having to intervene. An urgent meeting was convened between the WC Provincial Treasury, Office of the Auditor-General in the WC and the sixteen (16) municipalities (as delegated by the Breede-Valley Municipality).
- 8.3. In the referred meeting, it was resolved that the universal audit finding will be withdrawn subject to the affected municipalities completing an exercise of investigating the complete population of formal quotations, and quantifying the total procurement amounts below R30 000. Such amounts must be registered as Irregular Expenditure and tabled to MPAC for further investigation.
- 8.4. Subsequently, the National Treasury issued a Preferential Procurement Regulations 2023 on 14 December 2023 to set a tone on the procurement thresholds below R50 million, that being the value R2 001 up to R50 million. This Regulation mandates all the municipalities to be in compliance with it, with effect from 01 March 2024. Furthermore, the AGSA in their 2023/24 financial audit would also focus on the implementation of PPR2023, where it would be expected for Bitou Municipality to submit all the necessary information to substantiate to such compliance.
- 8.5. For the compliance checks to the PPR2023, the Bitou Municipalities would have to demonstrate that:

Activity	Action Taken
It has completed the exercise of investigating the complete population of formal quotations to quantify the procurement amounts below R30 000.	The exercise was completed on 22 Mar 2024, and the affected amounts will be tabled in the next MPAC Meeting.

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It has reviewed all the SCM related Policies.	The SCM related Policies were reviewed by Council on 25 Jan 2024
It has implemented the 80/20 point-system on all procurements below R50mil up to the value of R2 001.	With effect from 01 Mar 2024; all quotations received through the three-quotation system are evaluated on 80/20 preferential point system, i.e., 80 for price-points and 20 for preference (i.e., 10 for B-BBEE and 10 for locality) The latter connotes that all bids received from R2 001 up to the value of R50m are evaluated on either 80/20 or 90/10.
It has updated its Municipal Suppliers' Database	<ul style="list-style-type: none"> ▪ An advert was published for SMMEs to register on Bitou Mun's Suppliers' Database. Such advert was issued on 25 Jan 2024, ▪ Simultaneously on 25 Jan 2024, a group email was sent to the site population of 305 bidders, comprising of SMMEs and local businesses) within the Bitou Area to invite them to register on the Bitou Mun's Suppliers' Database, ▪ The SCM Roadshows were embarked on, to workshop SMME's and businesses about the requirements of PPR 2023. During the referred workshop, the local SMME's were assisted and guided on how to complete and submit the related documents in the correct formats for compliance purposes. Focus was also on pricing and preferences, where it was noted that bidders tend to submit unrealistically high prices, ignoring value for money. False declarations by bidders and consequences thereof were also discussed.

The SCM Roadshows were conducted in all wards per the below Table.

#	Communities	Venue	Time & Duration
DAY 1- WEDNESDAY, 13 MARCH 2024			
1	Nature's Valley, Craggs/Kurland and Keurbooms	Kurland Community Hall	10h00-12h00
2	Wittedrift	Wittedrift Community Hall	14h00-16h00
DAY 2 - THURSDAY, 14 MARCH 2024			
3	New Horizon	New Horizon Community Hall	10h00-12h00
4	Kwanokuthula	Kwanokuthula Thusong Centre	14h00-16h00

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DAY 3 - TUESDAY, 19 MARCH 2024			
5	Pinetrees, Bossiesgif and Qolweni	Bicycle Shed, Industrial Area	10h00-12h00
6	Kranshoek and Harkerville	Kranshoek Multi-Purpose Centre	14h00-16h00

It is envisaged that follow up sessions be conducted in the near future to additional support toward the workshop and registration of local SMME's.

8.6. For additional controls toward the implementation PPR2023,

- ✓ A separate tender box for quotations below R30 000 has been implemented, where bidders would directly insert their quotations without handing them to the SCM Officials,
- ✓ An email address has been registered, where bidders would respond or submit their quotations, as compared to previously where such information would be forwarded directly to a specific Buyer. The introduction of such an email would be a tool of promoting transparency in the municipality's bidding process on procurements below R30 000,
- ✓ A Bid Opening Register for quotations below R30 000 has been implemented. All the received bids are recorded inside the register with a unique control number.

8.7. Internally, i.e., within the Bitou Municipality, the procurers of goods and services had to be familiarized with the requirements of PPR2023. As a result,

- ✓ On 19 Jan 2024: The CFO called a meeting with SCM Unit to provide with strategic direction towards the implementation of PPR2023,
- ✓ On 30 Jan 2024: The SCM Unit informed and workshopped Bitou Managers about the PPR2023 and the implementation thereof during the monthly Implementation of SCM Policy Meeting,
- ✓ On 05 Feb 2024, The SCM Unit informed and reminded Bitou Managers about the PPR2023 and the implementation thereof during the weekly Service Delivery Meeting,
- ✓ On 19 Feb 2024, The SCM Unit informed and reminded Bitou Managers about the PPR2023 and the implementation thereof during the weekly Service Delivery Meeting,
- ✓ On 26 Feb 2024, The SCM Unit informed and reminded Bitou Managers about the PPR2023 and the implementation thereof during the weekly Service Delivery Meeting,
- ✓ On 05 Mar 2024, The SCM Unit informed and reminded Bitou Managers about the implementation of PPR2023 during the DMP 2024-2027 Preparation Meeting.

FINANCIAL IMPLICATION

Financial implications are inherent in this financial report.

EXECUTIVE SUMMARY

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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 3rd Quarter, 01 January - 31 March 2024, of the 2023/24 procurement 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 3rd Quarter, 01 January - 31 March 2024, of the 2023/24 procurement 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 3rd Quarter, 01 January - 31 March 2024, of the 2023/24 procurement year in terms of Section 6(3) of the SCM Policy.