

## **BITOU LOCAL MUNICIPALITY**

22 January 2019

### **MAYORAL COMMITTEE MEETING: 23 JANUARY 2019 AT 09H00**

#### **ADDENDUM 1**

The Executive Mayor  
Councillors  
Acting Municipal Manager & Directors


#### **1<sup>st</sup> ADDENDUM TO THE MAYORAL COMMITTEE MEETING: 23 JANUARY 2019 AT 9H00**

Attached hereto please find additional Items for consideration at the Mayoral Committee Meeting of 17 September 2018 at 9h00.

<b>SECTION 2: FINANCIAL SERVICES</b>			
<b>ITEM NO</b>	<b>SUBJECT</b>	<b>FILE REF</b>	<b>PAGE NO</b>
<b>C/2/128/01/19</b>	<b>REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE QUARTER 01 OCTOBER TO 31 DECEMBER 2018</b>	<b>8/1/5/5/2</b>	<b>1 - 34</b>
<b>SECTION 4: COMMUNITY SERVICES</b>			
<b>C/4/39/01/19</b>	<b>REQUEST FOR PROVISION OF ADDITIONAL FUNDING FOR THE EMERGENCY HOUSING PROJECT AT QOLWEN/BOSSIESGIF AND KURLAND</b>	<b>5/8/16, 17/6/3/1 &amp; 17/6/3/2</b>	<b>35 - 36</b>

Also, please find Annexure A to Item C/1/109/01/19 circulated herewith.

Yours faithfully



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**M P LOBESE**  
The Executive Mayor

## Section 2

### **Directorate: Financial Services**

ITEM C/2/128/01/19

Mayoral Committee for recommendation to Council

**REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE QUARTER 01 OCTOBER TO 31 DECEMBER 2018**

**Directorate:** Finance                      **Demarcation:** Show Ward number

**Portfolio Comm:** Finance & Engineering                      **Delegation:** Portfolio/MayCo/ Council

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

**Attachments:** Annexure A: Comparative Tender Opening Schedule  
Annexure B: Schedule of Procurement Process Timeline  
Annexure C: Potential Irregular Expenditure Incurred for the Period 01 July - 31 December 2018

**Report from:** Director: Financial Services

**Author:** Manager: Supply Chain Management

**Date:** 22 January 2019

**1. Purpose of the report**

- 1.1. Report on the Implementation of the Supply Chain Management Policy, for the 2<sup>nd</sup> Quarter, 01 OCTOBER TO 31 DECEMBER 2018 of the 2018/19 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 2018.
- 2.3. Section 117 of the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders. The SCM Policy requires per Section 6 that Council have an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with the SCM Regulations and the Bitou Local Municipality Supply Chain Management Policy (SCM Policy).

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- 2.4. Section 6(3) of the SCM Policy requires that the Accounting Officer submit a quarterly report on the implementation of the Supply Chain Management Policy to the Executive Mayor.
- 2.5. Irregular expenditure is defined in section 1 of the MFMA as follows:  
 “Irregular expenditure”, in relation to a municipality or municipal entity, means—
- (a) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
  - (b) Expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
  - (c) Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
  - (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”.
- 2.6. The report contains information about operational activities within the Supply Chain Management Division and includes references of Tenders and Formal Written Price Quotations Awarded, as well as Deviations from the SCM Policy, considered and approved by the delegated officials for the 2<sup>nd</sup> Quarter of the 2018/19 financial year.
- 2.7. The report also contains information about Potential Irregular Expenditure as identified, for the period 01 July till 31 December 2018.

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

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

#	Committee	Composition & Function
1.	Bid Specification Committee- BSC	The appointed chairperson, the project manager and a Senior SCM Practitioner- Considers tender specifications and approve or recommend for approval to the relevant Director.
2.	Bid Evaluation Committee- BEC	The project manager, a Senior SCM Practitioner and any other Manager- Considers tender evaluation reports and makes recommendations to the BAC
3.	Bid Adjudication Committee- BAC	At least 3 Directors and a Senior SCM Practitioner, with the CFO as Chairperson. (Not the same SCM Practitioner as BEC)- Considers recommendations from

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#	Committee	Composition & Function
		the BEC and make awards or recommend to the MM to award if R 10 million and more.

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

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

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

3.2.3. To make known details of any private or business interest he or she or any close family member, partner or associate may have in any proposed procurement or disposal of, or in any award or contract that they will immediately withdraw from participating in any matter whatsoever.

3.3. The members of the Bid Committees have duly undertaken to uphold the confidentiality, to be fair in all dealings and to declare their personal interests, if any. None of the members had conflicts of interest to declare.

4. **Tender Awards**

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

**R 40 606 429.62** for 32 Tenders awarded by duly delegated Bid Adjudication Committees or the Accounting Officer for tenders valued in excess of R 10 million.

TENDERS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/2019/22/ENG	Upgrading of Streetlights & Sport Field Flood-Lighting	Essa O	2018/10/26	MDL Engineering Company (Pty) Ltd t/a MDL Electrical	2	R 3 369 498,21
2	SCM/2019/24/ENG	Upgrading of Bulk Electrical Infrastructure for Kwanokuthula Phase 3B & 4A	Matodlana L	2018/10/02	MDL Engineering Company (Pty) Ltd t/a MDL Electrical	2	R 10 339 739,37
3	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item B- Bitumen products	Dietzsch P	2018/12/07	Colas South Africa (Pty) Ltd	2	R 1 000 000,00
3	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item H- Gabion baskets & mattresses	Dietzsch P	2018/12/07	PNB Civils and Safety (Pty) Ltd	1	R 1 000 000,00

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TENDERS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
3	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item C- Concrete mix; Item E - Road stone	Dietzsch P	2018/12/07	Robberg Quarry CC	0	R 1 000 000,00
3	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item A - Building sand; Item E - Road stone; Item F- Storm water pipes; Item G- Subsoil drainage pipes	Dietzsch P	2018/12/07	Ukhana Projects CC	1	R 1 000 000,00
3	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item I - Bricks, blocks and pavers; Item J- Panels, Kerbs, Edging and Channel	Dietzsch P	2018/12/07	Xantara Civils (Pty) Ltd	6	R 1 000 000,00
3	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item C- Concrete mix	Dietzsch P	2018/12/07	Robberg Readymix CC	0	R 1 000 000,00
4	SCM/2019/41/ENG	Spraying of Herbicides	Dietzsch P	2018/12/07	SJ Jacobs t/a Velisas Projects and Maintenance	1	R 500 000,00
5	SCM/2019/43/ENG	Supply of Bulk Mix Asphalt- 25 kg bags All Weather Coldmix Asphalt	Dietzsch P	2018/12/07	Dense Seal (Pty) Ltd	4	R 575 000,00
5	SCM/2019/43/ENG	Supply of Bulk Mix Asphalt- Graded mix asphalt ; 26mm BTB ; Sidewalk mix (Tons)	Dietzsch P	2018/12/07	Much Asphalt (Pty) Ltd	3	R 575 000,00
6	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw) ; Mini Loader (Bobcat or similar) Loading Bucket; Mini Loader (Bobcat	Dietzsch P	2018/12/07	Bitou Civils CC	0	R 1 000 000,00

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TENDERS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
		or similar) Broom Bucket; Front End Loader (1, 72 m³); Excavator (0,71-1,2 m³); Roller (vibrating 9 – 11 ton); Grader (11500-13600 kg); Dozers (D6 or similar); Water Trucks (11000 liter with water pump); Tipper Trucks 7m³; Tipper Trucks 10m³ ; Lowbed Charges; Mini Excavator; Roller 80CM - Vibrating Twin Drum Ride On; Concrete Saw 18HP; Plate Compactor GX 160 ; Sewerage Vacuum Tanker					
6	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Mini Loader (Bobcat or similar) Loading Bucket; Front End Loader (1, 72 m³); Excavator (0,71-1,2 m³); Roller (vibrating 9 – 11 ton); Grader (11500-13600 kg); Dozers (D6 or similar); Water Trucks (11000 liter with water pump); Tipper Trucks 7m³; Tipper Trucks 10m³; Lowbed Charges; Truck with 10 Ton Crane; Roller 80cm - Vibrating Twin Drum Ride On	Dietzsch P	2018/12/07	Denron Concrete CC	0	R 1 000 000,00

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TENDERS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
6	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Water Trucks (11000 liter with water pump); Tipper Trucks 7m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Lowbed Charges; Truck with 10 Ton Crane; High Compaction Refuse Compactor Truck 15m <sup>3</sup> with 240 Litre Bin Lifters System; High Compaction Refuse Compactor Truck 19m <sup>3</sup> with 240 Litre Bin Lifters System	Dietzsch P	2018/12/07	Inyameko Trading 296 CC	1	R 1 000 000,00
6	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Super Sucker Trucks offering High-power Airflow Minimum 150mm; Jet Machines Trailer/Truck Mounted; Sewerage Vacuum Tanker; (CCTV) Inspections for Sewer 150mm to 350mm; (CCTV) Inspections for Storm Water 350mm to 1200mm	Dietzsch P	2018/12/07	Jirah Construction CC	4	R 1 000 000,00
6	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Front End	Dietzsch P	2018/12/07	South Cape Plant Hire and Civil Contractors (Pty) Ltd	1	R 1 000 000,00



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TENDERS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
		Loader (1, 72 m <sup>3</sup> ); Water Trucks (11000 liter with water pump); Tipper Trucks 6m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Truck with 10 Ton Crane					
6	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Mini Loader (Bobcat or similar) Loading Bucket; Mini Loader (Bobcat or similar) Broom Bucket; Front End Loader (1, 72 m <sup>3</sup> ); Excavator (0,71-1,2 m <sup>3</sup> ); Roller (vibrating 9 – 11 ton); Grader (11500-13600 kg); Dozers (D6 or similar); Water Trucks (11000 liter with water pump); Tipper Trucks 7m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Lowbed Charges; Mini Excavator; Roller 80cm - Vibrating Twin Drum Ride On; Concrete Saw 18HP; Plate Compactor GX 160	Dietzsch P	2018/12/07	Ukhana Projects CC	1	R 1 000 000,00
6	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Mini Loader (Bobcat or similar) Loading Bucket; Mini Loader (Bobcat or similar)	Dietzsch P	2018/12/07	Southern Cape Plant Hire (Pty) Ltd	2	R 1 000 000,00

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TENDERS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
		Broom Bucket; Front End Loader (1, 72 m <sup>3</sup> ); Excavator (0,71-1,2 m <sup>3</sup> ); Roller (vibrating 9 – 11 ton); Grader (11500-13600 kg); Dozers (D6 or similar); Water Trucks (11000 liter with water pump); Tipper Trucks 7m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Lowbed Charges; Mini Excavator; Roller 80cm - Vibrating Twin Drum Ride On; Concrete Saw 18HP; Plate Compactor GX 160; Sewerage Vacuum Tanker					
7	SCM/2019/62/ENG	Supply, Delivery & Off-Load of Water Treatment Lime	Tarentaal R	2018/12/14	Metsi Chem Ikapa (Pty) Ltd	2	R 439 875,00
8	SCM/2019/63/COMM	Provision of Lifeguard Training	Prins J	2018/10/22	Dodo Lifeguard Services (Pty) Ltd	1	R 885 000,00
9	SCM/2019/68/FIN	Supply & Delivery of Printing Services	Gresse G	2018/12/14	Konica Minolta SA Ado Bidvest Office (Pty) Ltd	4	R 3 557 843,90
10	SCM/2019/73/FIN	Provision of Payroll System	Ndzongo B	2018/12/14	Pny-Day Software Systems (Pty) Ltd	2	R 1 226 005,80
11	SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works: Ranked 1- Section : A Tree and bush clearance within overhead line servitudes, etc.;	Cupido J	2018/12/12	JCO. Terblanche (P&H Serv)		R 500 000,00

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TENDERS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
11	SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works: Ranked 2- Section A : A Tree and bush clearance within overhead line servitudes, etc.; Ranked 2- Section B: Meter installation and associated work; Ranked 1 -Section D: Protection Relays, SCADA installation and Fibre Optic cabling.	Cupido J	2018/12/12	Jam Electrical CC		R 500 000,00
11	SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works: Ranked 1- Section B: Meter installation and associated work; Ranked 1- Section C: LV Service connections; Ranked 1 - Section E: MV and LV Reticulation Construction Work	Cupido J	2018/12/12	B-Spark Electrical CX		R 500 000,00
11	SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works: Ranked 2- Section C: LV Service connections	Cupido J	2018/12/12	Izazi Technologies		R 500 000,00
11	SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works: Ranked 2- Section D: Protection Relays, SCADA installation and Fibre Optic cabling.	Cupido J	2018/12/12	Spectrum Communications		R 500 000,00

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TENDERS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
11	SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works: Ranked 2- Section E: MV and LV Reticulation Construction Work; Ranked 2- Section F: MV and LV Maintenance Work	Cupido J	2018/12/12	MDL Engineering		R 500 000,00
11	SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works: Ranked 1- Section F: MV and LV Maintenance Work	Cupido J	2018/12/12	Gridbow Engineers		R 500 000,00
12	SCM/2019/83/ENG	Section 32 - Strip and repair of Pumps, mixers and Electric Motors	Cupido J	2018/12/12	Coastal Armature Winders and Suppliers CC		R 1 000 000,00
13	SCM/2019/88/EDP	Maintenance and repairs to Melville's Offices: installations of partitions and Ceiling repairs	Basson C	2018/12/21	New Morning Construction CC	1	R 638 467,35
32							40 606 429,62

4.2. The contracts concluded under, SCM/2019/82/ENG to perform electrical and associated works, was awarded in terms Section 32 of the SCM Policy. In terms of Section 32 the municipality may procure goods & services under contracts secured by another organ of state and the Knysna Municipality agreed to the arrangement amongst other requirements which were met.

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	2 <sup>nd</sup> Quarter 2018/19	2017/18
1.	Tenders Awarded	13	24

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#	Description	2 <sup>nd</sup> Quarter 2018/19	2017/18
2.	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed as a result of the tenders awarded)	32	40
3.	Estimated Value of Tenders Awarded	<b>R40 606 430</b>	<b>R131 895 000</b>
4.	Number of Appeals Received	0	3
5.	Number of Appeals in Progress	0	8
6.	Number of successful appeals	0	0
7.	Number of Contracts Awarded to B-BBEE Enterprises	20	35
8.	Value of Contracts Awarded to B-BBEE Enterprises	<b>R32 106 430</b>	<b>R 131 717 000</b>
9.	% of Contracts Awarded to B-BBEE Enterprises	<b>79.07%</b>	99.87%
10.	Number of Contracts Awarded to Enterprises based in the Bitou Municipality Area	11	10
11.	Value of Contracts Awarded to Enterprises based in the Bitou Municipality Area	<b>R 10 138 467.35</b>	<b>R82 520 000</b>
12.	% of Contracts Awarded to Enterprises based in the Bitou Municipality Area vs All Contracts	<b>24.97%</b>	62.57%
13.	Number of Contracts Awarded to B-BBEE Enterprises based in the Bitou Municipality Area	7	9
14.	Value of Contracts Awarded to B-BBEE Enterprises	<b>R 6 138 467.35</b>	<b>R82 520 000</b>
15.	% of Contracts Awarded to B-BBEE Enterprises based in the Bitou Municipality Area vs All Contracts	15.12%	62.57%
16.	Sub-Contracts to Local SMME's	<b>R7 138 467,35</b>	R 26 244 000
17.	% of Contracts & Sub-Contracts Awarded to Local SMME's vs All Contracts	17.58%	19.9%

- 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. A schedule attached as **Annexure B**, details the tenders opened and awarded versus the unsuccessful competitive bids as per additional Council oversight request.

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**5. Procurement Process Timeline**

SCM Performance is also measured in the turn-around time for a procurement process. This can be either a target of 30 days for a regular tender process with a 14-day advertisement period or 45 days for a tender advertised for 30 days. A schedule is attached as **Annexure 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- 2018/19- Q2	Average Calendar Days- 2018/19 Q1	Average Calendar Days- 2017/18
1.	Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC)- Full Procurement Cycle	121	91	99
2.	Average Calendar Days from Tender Advertisement Date to BAC	111	82	78
3.	Average Calendar Days from Tender Closing Date to BAC	92	59	59
4.	Average Calendar Days from Tender Closing Date to BEC- Tender Evaluation	82	44	54
5.	Tender with Fastest Procurement Process: BSC to BAC	39	58	8
6.	Tender with Longest Procurement Process: BSC to BAC	135	128	244

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

- 6.1. The procurement of Formal Written Price Quotations have been streamlined by obviating the need for Bid Specification and Evaluation Committees before a Director could make an award. This change was made in order to improve the turnaround time for procurement.
- 6.2. Fifteen (15) RFQ's were awarded by Directors in terms of their delegated authority for a total value of R 1 804 812.03 as follows:

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REQUESTS FOR QUOTATIONS AWARDED DURING THE 2018/19 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER					
RFQ NUMBER	DESCRIPTION	PROJECT MANAGER	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)
SCM/2019/37/ENG	Supply & Delivery of Electrical Pole Boxes	Matodlana L	Allegiance Distribution (Pty) Ltd	1	R 211 204,40
SCM/2019/47/STRAT	Supply & Installation of Doors & Windows at Piesang Valley Community Hall	Siko M	ZABS Enterprises (Pty) Ltd	1	R 162 990,00
SCM/2019/59/CORP	Chairing & Initiating of Disciplinary Hearings	Cunningham V	Goldberg De Villiers en Myburgh (Pty) Ltd t/a Global Business Solutions	0	R 73 970,07
SCM/RFQ/2019/007/MM	Review of Annual Financial Statements & Annual Performance Report	Koeberg C	Ducharme Consulting - Coastal (Pty) Ltd	0	R 80 937,00
SCM/RFQ/2019/018/COMM	Refurbishment of Natures Valley Offices	Rwayi O	Suwankazi General Trading (Pty) Ltd t/a Swanex Holdings	1	R 36 327,81
SCM/RFQ/2019/031/EDP	New Electrical Installations at Mellvilles Corner Shop 50	Basson C	New Morning Construction CC	0	R 199 065,00
SCM/RFQ/2019/006/ENG	Supply & Installation of Mechanical Screen Parts	Tarentaal R	Huber Technology (Pty) Ltd	0	R 160 400,00
SCM/RFQ/2019/008/FIN	Supply & Delivery of Network Equipment	Nieuwoudt G	Blue-Line Industries (Pty) Ltd	0	R 37 225,00
SCM/RFQ/2019/009/FIN	Supply & Delivery of Wireless Band Equipment	Nieuwoudt G	Simply IT and Accounting Solution CC	0	R 29 998,90

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SCM/RFQ/2019/010/STRAT	Supply, Delivery & Installation of Temporary Housing Units	Lottering J	Southern Cape Plant Hire (Pty) Ltd	0	R 175 000,00
SCM/RFQ/2019 012/ENG	Supply & Delivery of Airdac Cable - 10mm2	Xakata N	Suwankazi General Trading (Pty) Ltd t/a Swanex Holdings	1	R 111 786,21
SCM/RFQ/2019 012/ENG	Supply & Delivery of IPC Connector – F25-95/6-35	Xakata N	P H Marketing (Pty) Ltd	0	R 1 975,13
SCM/RFQ/2019/013/CORP	Supply & Delivery of Office Furniture	Van Rooyen H	Gxakwe's Project CC	1	R 159 421,05
SCM/RFQ/2019/025/EDP	Supply & Installation of Floor Carpets for Municipal Offices	Basson C	Miyaah Sounds (Pty) Ltd t/a Miyaah Holdings	0	R 186 169,46
SCM/RFQ/2019/030/FIN	Supply & Delivery of Tyres	Davids V	Auto Amavili (Pty) Ltd	1	R 178 342,00
					<b>R1 804 812,03</b>

6.3. The average time for processing was 51 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. However, the confirmation of technical evaluations and the recommendation to award by the project manager to the responsible Director is taking longer than expected.

## 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 2<sup>nd</sup> Quarter of the 2018/19 financial year, 12 deviations were considered and approved to the value of R 4 358 449.99 as follows.



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DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
46	12.10.2018	Sompani T	Sole Supplier	WESSA is the only service provider for the registration of Blue Flag Beaches. Beaches are Robberg 5, The Waves, Natures Valley, The Dunes, Keurbooms, Singing Kettle and Lookout Beach. It is therefore requested that the Chief Financial Officer considers the deviation from the SCM Policy.	WESSA-BLUE FLAG	R 149 759,99
49	11.12.2018	Greyling A	Sole Supplier	SALGA is hosting its National Assembly at Inkosi Albert Luthuli International Convention Centre from 10-12 December 2018. SALGA is the Sole Supplier for professional body for all information workers and Interest groups.	SALGA	R 5 000,00
50	11.10.2018	Sompani T	Sole Supplier	SACA is hosting its Annual Training Workshop at Durbanville Memorial Park from 09-11 October 2018. SACA is the Sole Supplier for professional body for all information workers and Interest groups.	South African Cemeteries Association	R 3 000,00

Financial & Engineering Services Portfolio Committee

DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SER VICE PROVIDER	AMOUNT
51	15.10.2018	Bester H	Sole Supplier	Annually the Provincial Treasury has a conference, which is focused towards the Chief Audit Executive, Chief Risk Officers and Audit Committee Charis. Provincial Treasury will be collaborating with the Western Cape Institute of Internal Auditors for the 3rd consecutive year. The MM approval is attached.	<b>The Institute of Internal Auditors SA</b>	R 11 000,00
52	22.10.2018	Rhode M	Sole Supplier	Bitou Municipality is a member of South African Revenue Protection Association. SAPRA is offering free training to Bitou Municipality employees. The training is very beneficial to the employees as it relates to revenue enhancement.	<b>South African Revenue Protection Association</b>	R 4 000,00

Financial & Engineering Services Portfolio Committee

DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
53	26.10.2018	Rhode M	Exceptional case and it is impractical or impossible to follow the official procurement processes	IMESA is hosting its annual conference in Port Elizabeth from 31 October - 02 November 2018. The conference creates opportunities for officials to gain valuable information and insight into issues facing the Municipal Engineering fraternity. The conference is only arranged by IMESA no other Service Providers can be approached for quotations.	IMESA	R 5 960,00
54	29.10.2018	Groenewald G	Exceptional case and it is impractical or impossible to follow the official procurement processes	IMESA is hosting its annual conference in Port Elizabeth from 31 October - 02 November 2018. The conference creates opportunities for officials to gain valuable information and insight into issues facing the Municipal Engineering fraternity. The conference is only arranged by IMESA no other Service Providers can be approached for quotations.	IMESA	R 7 480,00

Financial & Engineering Services Portfolio Committee

DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
57	11.12.2018	Greyling A	Sole Supplier	SALGA is hosting its National Assembly at Inkosi Albert Luthuli International Convention Centre from 10-12 December 2018. SALGA is the Sole Supplier for professional body for all information workers and Interest groups.	SALGA	R 5 000,00
58	19.12.2018	Siko M	Emergency	The National Treasurer has approved R 3,988.200 Grant Funding and has transferred this amount against the Municipal Housing Emergency Grant (MEHG) allocation to Bitou Local Municipality to construct Emergency housing and relocation of beneficiaries to Transit Camp. The Bitou Municipality need to expedite The Construction of the Emergency Housing Structure and relocate the Beneficiaries to the transit camps as per the approved Business Plan. The Project resulted from a disaster	Nzuzo Yalo (Pty) Ltd	R 3 960 200,00

Financial & Engineering Services Portfolio Committee

DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SER VICE PROVIDER	AMOUNT
				<p>devastation event (fire inferno) where people lost their houses. National Department of Human Settlement has donated the Grant to rebuild the burnt houses urgently because the situation is considered an unforeseeable and sudden event with material harmful consequences which the Municipality required an urgent action to address the emergency avoiding the communities and the beneficiaries to embark on unrest because of frustrations. In addition, the emergency housing fund condition it has to be spent within a period of two month, Municipality is compelled to comply with that requirement.</p>		

Financial & Engineering Services Portfolio Committee

DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
60	21.12.2018	Siko M	Emergency	The Harkerville which is one of the most historically disadvantaged communities has raised major concerns regarding the state of alien vegetation surrounding the community. The community in general is surrounded with very dense vegetation which poses a very high fire risk. Although this vegetation has been growing for years the community insists on action mainly because of the massive effect recent fires in the garden route has experienced in losing millions in property damaged as well as several lives which plays a critical role in their mental and distraught reactions to the state of the vegetation. Summer season promises extreme heat which raises fire risk even higher and council has also been experienced extreme responses from communities when calls from	Chris Manuel	R198 000,00

Financial & Engineering Services Portfolio Committee

DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
				<p>communities is not answered. The above reasons supplied serves as general motivation in terms of the fire risk faced by the general community, which consists of informal settlements and informal structures. With the holiday season at hand, service providers needs to be appointed soonest to ensure that urgent assistance can be guaranteed from service providers during this period. In addition, it should be noted that a local economic development approach was considered in attaining quotations from the area with the relevant experience and ability.</p>		

Financial & Engineering Services Portfolio Committee

DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
61	30.11.2018	Fourie A	Emergency	Emergency transport was needed for the fire victims on the 02-05 November 2018. The total number of 32 family members were transported from the Depwalle, Kransbos and uplands area to the Green Valley Community Hall as their houses were affected by fire and their lives were in danger. The fire victims did not have any transport and private taxis operators were urgently called to transport the victims.	Pika Tour's	R 7 050,00
62	30.11.2018	Fourie A	Emergency	Emergency transport was needed for the fire victims on the 02-05 November 2018. The total number of 32 family members were transported from the Diepwalle, Kransbos and uplands area to the Green Valley Community Hall as their houses were affected by fire and their lives were in danger. The fire victims did not have any transport and private taxis operators were	CC Masinda	R 2 000,00



## Financial & Engineering Services Portfolio Committee

DEVIATIONS APPROVED DURING THE 2018/2019 FINANCIAL YEAR FOR THE PERIOD 01 OCTOBER TO 31 DECEMBER 2018- 2nd QUARTER						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
				urgently called to transport the victims.		
<b>12</b>					<b>TOTAL</b>	<b>4 358 449.99</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 2018/19 financial year:

Section from SCM Policy	Categories	Value (R) of Deviations Approved	
		Q2: 2018/19	2017/18
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 4 167 250.00	R 0
36(1)(a)(ii)	Where it can be demonstrated that goods or services are produced or available from a single provider only	R 177 759.99	R 60 689
36(1)(a)(v)	Exceptional case and it is impractical or impossible to follow the official procurement processes	R 13 440.00	R 679 213
	<b>Total</b>	<b>R 4 358 449.99</b>	<b>R 739 902</b>

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

## 8. Financial Implication

8.1. Financial implications are inherent in this financial report.

## Financial & Engineering Services Portfolio Committee

### 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 2<sup>nd</sup> Quarter, **01 October to 31 December 2018**, of the 2018/19 financial year.
- 9.3. This report also contains a record of Potential Irregular Expenditure as identified, for the period, **01 July to 31 December 2018**, of the 2018/19 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

### **Recommendation by the Acting Municipal Manager**

1. That Council notes the Supply Chain Management Implementation Report for the 2<sup>nd</sup> Quarter, 01 October to 31 December 2018, of the 2018/19 financial year in terms of Section 6(3) of the SCM Policy.
2. That Council recommends the Potential Irregular Expenditure for the period 01 July to 31 December 2018, to the Municipal Accounts Committee (MPAC) for further investigation and appropriate action.

Blou Municipality						
Highest Preferential Procurement Points for the 2018/19 Financial Year- 2nd Quarter October to December 2018- Comparative Tender Schedule						
#	TENDER NUMBER	DESCRIPTION	AWARDED TO	B-BBEE STATUS LEVEL	TOTAL ESTIMATED AMOUNT (Including VAT)	COMMENT
1	SCM/2019/22/ENG	Upgrading of Streetlights & Sport Field Flood-Lighting	MDL Engineering Company (Pty) Ltd t/a MDL Electrical	2	3 369 498,21	Highest Preferential Procurement Points
			VE Refuelation (Pty) Ltd	2	4 151 898,36	Non-responsive to the tender specifications
			Izazi Technologies cc	1	4 988 871,57	Non-responsive to the tender specifications
			Yande Engineering & Projects cc	1	-	Non-responsive to the tender specifications
			A M Engineering Consulting (Pty) Ltd	1	-	Non-responsive to the tender specifications
2	SCM/2019/24/ENG	Upgrading of Bulk Electrical Infrastructure for Kwanokuthula Phase 3B & 4A	MDL Engineering Company (Pty) Ltd t/a MDL Electrical	2	10 339 739,37	Highest Preferential Procurement Points
			Sakhizwe Contractors CC	1	-	Non-responsive to the tender specifications
			Gridbow Engineers & Technical Services	1	-	Non-responsive to the tender specifications
			VE Refuelation	2	-	Non-responsive to the tender specifications
			Sing Mind Trading 1108 CC	1	-	Non-responsive to the tender specifications
			AM Engineering Consulting	1	-	Non-responsive to the tender specifications
3	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item B- Bitumen products	Colas South Africa (Pty) Ltd	2	1 000 000,00	Highest Preferential Procurement Points. Estimated Value of Award-Unit Rates
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item H- Gabion baskets & mattresses	PNB Civis and Safety (Pty) Ltd	1	1 000 000,00	Highest Preferential Procurement Points. Estimated Value of Award-Unit Rates
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item C- Concrete mix; Item E - Road stone	Robberg Quarry CC	0	1 000 000,00	Highest Preferential Procurement Points. Estimated Value of Award-Unit Rates
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item A - Building sand; Item E - Road stone; Item F- Storm water pipes; Item G- Subsoil drainage pipes	Ukhana Projects CC	1	1 000 000,00	Highest Preferential Procurement Points. Estimated Value of Award-Unit Rates
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item I - Bricks, blocks and pavers; Item J- Panels, Kerbs, Edging and Channel	Xantara Civis (Pty) Ltd	6	1 000 000,00	Highest Preferential Procurement Points. Estimated Value of Award-Unit Rates
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item C- Concrete mix	Robberg Readymix CC	0	1 000 000,00	Highest Preferential Procurement Points. Estimated Value of Award-Unit Rates

			Izinga Impahla Entreprizes (Pty) Ltd	1	R	-	Scored less than the Highest Preferential Procurement Point scoring bidder
			Enonbrick (Pty) Ltd	0	R	-	Scored less than the Highest Preferential Procurement Point scoring bidder
			PNB Civils and Safety (Pty)Ltd	1	R	-	Scored less than the Highest Preferential Procurement Point scoring bidder
4	SCM/2019/41/ENG	Spraying of Herbicides	SJ Jacobs Via Velisas Projects and Maintenance	1	R	500 000,00	Only responsive bid received
			Leno MC Callum Projects (Pty) Ltd	1	R	-	Non-responsive to the tender specifications
			RD Andrews Via RS & S Construction	1	R	-	Non-responsive to the tender specifications
			Singenza Tree Felling CC	4	R	-	Non-responsive to the tender specifications
5	SCM/2019/43/ENG	Supply of Bulk Mix Asphalt- 25 kg bags All Weather Coldmix Asphalt	Densa Seal (Pty) Ltd	4	R	575 000,00	Highest Preferential Procurement Points
			Much Asphalt (Pty) Ltd	3	R	575 000,00	Scored less than the Highest Preferential Procurement Point scoring bidder
			Southern Cape Plant Hire (Pty) Ltd	1	R	-	Scored less than the Highest Preferential Procurement Point scoring bidder
			Blou Civils	0	R	-	Scored less than the Highest Preferential Procurement Point scoring bidder
			Techno Asphalt	0	R	-	Scored less than the Highest Preferential Procurement Point scoring bidder
			Superpatch Sales & Marketing (Pty) Ltd	1	R	-	Scored less than the Highest Preferential Procurement Point scoring bidder
6	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw) ; Mini Loader (Bobcat or similar) Loading Bucket; Mini Loader (Bobcat or similar) Broom Bucket; Front End Loader (1, 72 m³); Excavator (0,71-1,2 m³); Roller (Vibrating 9 – 11 ton); Grader (11500-13500 kg); Dozers (D6 or similar); Water Trucks (11000 liter with water pump); Tipper Trucks 7m³; Tipper Trucks 10m³ ; Lowbed Charges; Mini Excavator; Roller 80CM - Vibrating Twin Drum Ride On; Concrete Saw 18HP; Plate Compactor GX 160 ; Sewerage Vacuum Tanker	Blou Civils CC	0	R	1 000 000,00	Highest Preferential Procurement Points. Estimated Value of Award-Unit Rates
			Danron Concrete CC	0	R	1 000 000,00	Highest Preferential Procurement Points. Estimated Value of Award-Unit Rates

SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Water Trucks (11000 liter with water pump); Tipper Trucks 7m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Lowbed Charges; Truck with 10 Ton Crane; High Compaction Refuse Compactor Truck 15m <sup>3</sup> with 240 Litre Bin Lifters System; High Compaction Refuse Compactor Truck 19m <sup>3</sup> with 240 Litre Bin Lifters System	Inyameko Trading 298 CC	1	R	1 000 000,00	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates							
SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Super Sucker Trucks offering High-Power Airflow Minimum 150mm; Jet Machines Trailer/Truck Mounted; Sewerage Vacuum Tanker; (CCTV) Inspections for Sewer 150mm to 350mm; (CCTV) Inspections for Storm Water 350mm to 1200mm	Jirah Construction CC	4	R	1 000 000,00	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates							
SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Front End Loader (1, 72 m <sup>3</sup> ); Water Trucks (11000 liter with water pump); Tipper Trucks 6m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Truck with 10 Ton Crane	South Cape Plant Hire and Civil Contractors (Pty) Ltd	1	R	1 000 000,00	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates							
SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Mini Loader (Bobcat or similar) Loading Bucket; Front End Loader (1, 72 m <sup>3</sup> ); Excavator (0,71-1,2 m <sup>3</sup> ); Roller (vibrating 9 – 11 ton); Water Trucks (11000 liter with water pump); Tipper Trucks 7m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Lowbed Charges; Truck with 10 Ton Crane; Single Cab Cherry Picker with Aerial Platforms; Mini Excavator; Roller 80cm - Vibrating Twin Drum Ride On; Super Sucker Trucks offering High-Power Airflow minimum 150mm; Jet Machines Trailer/Truck Mounted; Sewerage Vacuum Tanker; High Compaction Refuse Compactor Truck 15m <sup>3</sup> with 240 Litre Bin Lifters System; High Compaction Refuse Compactor Truck 19m <sup>3</sup> with 240 Litre Bin Lifters System	DP Truck Hire (Pty) Ltd via DP Truck Hire	1	R	1 000 000,00	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates							
SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Mini Loader (Bobcat or similar) Loading Bucket; Mini Loader (Bobcat or similar) Broom Bucket; Front End Loader (1, 72 m <sup>3</sup> ); Excavator (0,71-1,2 m <sup>3</sup> ); Roller (vibrating 9 – 11 ton); Grader (11500-13500 kg); Dozers (D5 or similar); Water Trucks (11000 liter with water pump); Tipper Trucks 7m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Lowbed Charges; Mini Excavator; Roller 80cm - Vibrating Twin Drum Ride On; Concrete Saw 18HP; Plate Compactor GX 160	Ukhanya Projects CC	1	R	1 000 000,00	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates							
SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader (91-120kw); Mini Loader (Bobcat or similar) Loading Bucket; Mini Loader (Bobcat or similar) Broom Bucket; Front End Loader (1, 72 m <sup>3</sup> ); Excavator (0,71-1,2 m <sup>3</sup> ); Roller (vibrating 9 – 11 ton); Grader (11500-13500 kg); Dozers (D5 or similar); Water Trucks (11000 liter with water pump); Tipper Trucks 7m <sup>3</sup> ; Tipper Trucks 10m <sup>3</sup> ; Lowbed Charges; Mini Excavator; Roller 80cm - Vibrating Twin Drum Ride On; Concrete Saw 18HP; Plate Compactor GX 160; Sewerage Vacuum Tanker	Southern Cape Plant Hire (Pty) Ltd	2	R	1 000 000,00	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates							
		Sobuza Investments CC	1	R	-	Non-responsive to the tender specifications							
		Midmar Plant Hire CC	2	R	-	Non-responsive to the tender specifications							

			Trenchless Road Crossings CC	1	R	-	Non-responsive to the tender specifications
			Teloc Waste Management CC	4	R	-	Non-responsive to the tender specifications
			Mabisa and son Trading (PTY) Ltd	1	R	-	Non-responsive to the tender specifications
			Aqua Transport and Plant Hire	2	R	-	Non-responsive to the tender specifications
			Loppsy Trading	1	R	-	Non-responsive to the tender specifications
7	SCM/2019/62/ENG	Supply, Delivery & Off-Load of Water Treatment Lime	Metsi Chem Ikepa (Pty) Ltd	2	R	439 875,00	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates
			Massive Quantum (Pty) Ltd	1	R	485 750,00	Scored less than the Highest Preferential Procurement Point scoring bidder
			Ndulamiso Aqua Solutions CC	1	R	483 000,00	Scored less than the Highest Preferential Procurement Point scoring bidder
			Kernanzi (Pty) Ltd	1	R	614 100,00	Scored less than the Highest Preferential Procurement Point scoring bidder
			Chloapepe (Pty) Ltd	2	R	4 648 875,00	Scored less than the Highest Preferential Procurement Point scoring bidder
			George Industrial Supplies (Pty) Ltd t/a H&L Industrial Supplies	0	R	-	Non-responsive to the tender specifications
			Improveate Distributors (Pty) Ltd	0	R	-	Non-responsive to the tender specifications
			Mso-Ndili Trading CC	1	R	-	Non-responsive to the tender specifications
			Futurefokus Consulting (Pty) Ltd	1	R	-	Non-responsive to the tender specifications
			Leiby Quality Developments (Pty) Ltd	1	R	-	Non-responsive to the tender specifications
8	SCM/2019/63/COMM	Provision of Lifeguard Training	Dodo Lifeguard Services (Pty) Ltd	1	R	885 000,00	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates
			Lifesaving Medical Rescous Services and Training (Pty) Ltd	0	R	-	Non-responsive to the tender specifications
9	SCM/2019/73/FIN	Provision of Payroll System	Psy-Day Software Systems (Pty) Ltd	2	R	1 226 005,80	Highest Preferential Procurement Points, Estimated Value of Award-Unit Rates
			Bytes Systems Integration, a Div of Altron TMT (Pty) Ltd	0	R	2 728 331,30	Scored less than the Highest Preferential Procurement Point scoring bidder
			ACCtech Systems	0	R	-	Non-responsive to the tender specifications
10	SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works: Rarited 1- Section : A Tree and bush clearance within overhead line servitudo5, etc.	JCO, Terblanche (PS&H Serv	n/a	R	500 000,00	Transversal agreement - Estimated Value of Award-Unit Rates

SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works; Ranked 2- Section A: A Tree and bush clearance within overhead line servitudes, etc.; Ranked 2- Section B: Meter installation and associated work; Ranked 1 -Section D: Protection Relays, SCADA Installation and Fibre Optic cabling.	Jam Electrical CC	n/a	R	500 000,00	Transversal agreement - Estimated Value of Award-Unit Rates
SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works; Ranked 1- Section B: Meter installation and associated work; Ranked 1- Section C: LV Service connections; Ranked 1 -Section E: MV and LV Reticulation Construction Work	B-Spark Electrical CX	n/a	R	500 000,00	Transversal agreement - Estimated Value of Award-Unit Rates
SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works; Ranked 2- Section C: LV Service connections	Izazi Technologies	n/a	R	500 000,00	Transversal agreement - Estimated Value of Award-Unit Rates
SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works; Ranked 2 Section D: Protection Relays, SCADA installation and Fibre Optic cabling.	Spectrum Communications	n/a	R	500 000,00	Transversal agreement - Estimated Value of Award-Unit Rates
SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works; Ranked 2- Section E: MV and LV Reticulation Construction Work; Ranked 2- Section F: MV and LV Maintenance Work	MDL Engineering	n/a	R	500 000,00	Transversal agreement - Estimated Value of Award-Unit Rates
SCM/2019/82/ENG	Section 32 - To perform Electrical and associated works; Ranked 1- Section F: MV and LV Maintenance Work	Gribbow Engineers	n/a	R	500 000,00	Transversal agreement - Estimated Value of Award-Unit Rates
11 SCM/2019/83/ENG	Section 32 - Strip and repair of Pumps, mixers and Electric Motors	Coastal Armature Wrders and Suppliers CC	n/a	R	1 000 000,00	Transversal agreement - Estimated Value of Award-Unit Rates
12 SCM/2019/83/EDP	Maintenance and repairs to Melville's Offices: installations of partitions and Ceiling repairs	New Morning Construction CC	1	R	638 467,35	Only bid received

BITOU MUNICIPALITY							
Procurement Process Timeline for Formal Written Price Quotations Awarded to the Bidder Scoring the Highest Preferential Procurement Points for the 2018/19 Financial Year - 2nd Quarter 01 October - 31 December 2018							
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	PUBLISH DATE OF TENDER	CLOSING DATE OF TENDER	DATE OF AWARD	CALENDAR DAYS-FIRST ADVERTISEMENT TO DATE OF AWARD
1	SCM/RFQ/2019/018/COM M	Refurbishment of Natures Valley Offices	Rwayi O	2018/09/14	2018/09/21	2018/11/20	67
2	SCM/RFQ/2019/031/EDP	New Electrical Installations at Melville's Corner Shop 50	Basson C	2018/12/07	2018/12/14	2018/12/14	7
3	SCM/2019/37/ENG	Supply & Delivery of Electrical Pole Boxes	Matodlana L	2018/07/12	2018/07/20	2018/08/17	36
4	SCM/2019/47/STRAT	Supply & Installation of Doors & Windows at Piesang Valley Community Hall	Siko M	2018/06/28	2018/07/13	2018/08/14	47
5	SCM/2019/59/CORP	Chairing & Initiating of Disciplinary Hearings	Cunningham V	2018/07/13	2018/07/20	2018/09/12	61
6	SCM/RFQ/2019/006/ENG	Supply & Installation of Mechanical Screen Parts	Tarentaal R	2018/08/20	2018/08/27	2018/10/04	45
7	SCM/RFQ/2019/007/MM	Review of Annual Financial Statements & Annual Performance Report	Koeberg C	2018/08/16	2018/08/23	2018/08/24	8
8	SCM/RFQ/2019/008/FIN	Supply & Delivery of Network Equipment	Nieuwoudt G	2018/08/27	2018/09/03	2018/11/06	71
8	SCM/RFQ/2019/009/FIN	Supply & Delivery of Wireless Band Equipment	Nieuwoudt G	2018/09/14	2018/09/21	2018/11/06	53
9	SCM/RFQ/2019/010/STR AT	Supply, Delivery & Installation of Temporary Housing Units	Lottering J	2018/09/14	2018/09/21	2018/11/20	67
10	SCM/RFQ/2019 012/ENG	Supply & Delivery of Airdac Cable - 10mm2	Xakata N	2018/09/14	2018/09/21	2018/12/20	97
11	SCM/RFQ/2019 012/ENG	Supply & Delivery of IPC Connector – F25-95/6-35	Xakata N	2018/09/14	2018/09/21	2018/12/20	97
12	SCM/RFQ/2019/013/COR P	Supply & Delivery of Office Furniture	Van Rooyen H	2018/08/30	2018/09/14	2018/11/28	90
13	SCM/RFQ/2019/025/EDP	Supply & Installation of Floor Carpets for Municipal Offices	Basson C	2018/11/09	2018/11/16	2018/11/22	13
14	SCM/RFQ/2019/030/FIN	Supply & Delivery of Tyres	Davids V	2018/11/27	2018/12/05	2018/12/05	8
						AVERAGE NUMBER OF DAYS	51



**BITOU MUNICIPALITY**

**Procurement Process Timeline for Tenders Awarded to the Bidder Scoring the Highest Preferential Procurement Points for the 2018/19 Financial Year- 2nd Quarter- October to December 2018**

#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	CALENDAR DAYS - BSC TO BAC	CALENDAR DAYS- FIRST ADVERTISEMENT TO DATE OF BAC	CALENDAR DAYS CLOSE OF ADVERTISEMENT TO BAC	CALENDAR DAYS FROM CLOSURE TO DATE OF BEC
	SCM/2019/22/ENG	Upgrading of Streetlights & Sport Field Flood-Lighting	Essa O	105	72	56	48
	SCM/2019/24/ENG	Upgrading of Bulk Electrical Infrastructure for Kwanokuthula Phase 3B & 4A	Matodiana L	83	75	53	23
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item B- Bitumen products	Dietzsch P	135	126	112	104
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item H- Gabion baskets & mattresses	Dietzsch P	135	126	112	104
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item C- Concrete mix; Item E - Road stone	Dietzsch P	135	126	112	104
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item A - Building sand; Item E - Road stone;	Dietzsch P	135	126	112	104
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item I - Bricks, blocks and pavers; Item J-	Dietzsch P	135	126	112	104
	SCM/2019/40/ENG	Supply & Delivery of Construction Materials: Item C- Concrete mix	Dietzsch P	135	126	112	104
	SCM/2019/41/ENG	Spraying of Herbicides	Dietzsch P	128	119	105	97
	SCM/2019/43/ENG	Supply of Bulk Mix Asphalt- 25 kg bags All Weather Coldmix Asphalt	Dietzsch P	135	127	112	104
	SCM/2019/43/ENG	Supply of Bulk Mix Asphalt- Graded mix asphalt ; 26mm BTB ; Sidewalk mix (Tons)	Dietzsch P	135	127	112	104
	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader	Dietzsch P	128	119	91	83
	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader	Dietzsch P	128	119	91	83
	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader	Dietzsch P	128	119	91	83
	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Super Sucker	Dietzsch P	128	119	91	83
	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader	Dietzsch P	128	119	91	83
	SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader	Dietzsch P	128	119	91	83

SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader	Dietzsch P	128	119	91	83
SCM/2019/44/ENG	Rental of Plant & Machinery for a Contract Period Ending 30 June 2021 : Digger Loader	Dietzsch P	128	119	91	83
SCM/2019/62/ENG	Supply, Delivery & Off-Load of Water Treatment Lime	Tarentaal R	135	126	112	83
SCM/2019/63/COMM	Provision of Lifeguard Training	Prins J	88	80	66	62
SCM/2019/68/FIN	Supply & Delivery of Printing Services	Gresse G	108	108	91	76
SCM/2019/73/FIN	Provision of Payroll System	Ndzongo B	114	109	95	80
SCM/2019/88/EDP	Maintenance and repairs to Melville's Offices: installations of partitions and	Basson C	39	24	3	2
<b>AVERAGE NUMBER OF DAYS</b>			<b>121</b>	<b>111</b>	<b>92</b>	<b>82</b>
BSC	Bid Specification Committee					
BEC	Bid Evaluation Committee					
BAC	Bid Adjudication Committee					

BITOU MUNICIPALITY						
POTENTIAL IRREGULAR EXPENDITURE INCURRED FOR THE 2018/19 FINANCIAL YEAR: 01 July 2018 - 31 December 2018						
SCM IE #	Description of Incident	Supplier / Service Provider	Department	Section	Amount	
1	Procurement of Aviation Fuel from BP in terms of a contract which was not validly procured in compliance with the SCM Policy.	BP Southern Africa (Pty) Ltd	Financial Services	Supply Chain Management	R 758 998,52	
2	Procurement of catering services without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy	Enrico Ristorante	Office of the Mayor	Office of the Mayor	R 24 999,50	
3	Expenditure incurred for the provision of Copier & Printing Services after failing to timeously commence with the procurement process in lieu of an expiring contract	Copy X Business Solutions	Various	Various	R 138 043,65	
4	Expenditure incurred for the provision of Fuel Card Services after failing to timeously commence with the procurement process in lieu of an expiring contract	ABSA Bank	Engineering Services	Fleet Management	R 936 975,77	
5	Expenditure incurred for the provision of Vehicle Tracking Services after failing to timeously commence with the procurement process in lieu of an expiring contract	Altech Netstar	Engineering Services	Fleet Management	R 122 721,92	
6	Rendering of services for the Cleaning of EPWP Uniforms, before obtaining of an official order as per SCM Policy requirements	Watch 4 Joy	Community Services	Public Safety	R 1 998,00	
7	Procurement of catering services without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy	Watch 4 Joy	Office of the Mayor	Office of the Mayor	R 14 400,00	
8	Expenditure incurred for the provision of Fleet Services after failing to timeously commence with the procurement process in lieu of an expiring contract	Avis Fleet Services	Engineering Services	Fleet Management	R 783 051,36	
9	Rental of Bulldozer & TLB without following official procurement processes. Deviation application not approved.	Bitou Civils	Community Services	Waste Management	R 700 345,90	
10	The procurement of performance-related services & systems from IGNITE without following a competitive bidding process, including: 1. The Provision of Individual Performance Management Software; 2. The Monthly Hosting, Compliance Assist User, iComply User, SDBIP User, as well as Data Storage Fees for the period July - November 2017; 3. Drafting and Reporting of the Annual & Annual Performance Reports.	Ignite Advisory Services	Corporate Services	Performance Management Unit	R 98 608,36	
12	Payment of Legal fees in terms of a contract which was not validly procured in compliance with the SCM Policy. Deviation application not approved	Bradley, Conradie, Halton, Cheadle Attorneys	Corporate Services	Legal Services	R 221 650,72	
13	Expenditure incurred for the provision of Emergency Pump Station repairs after failing to timeously commence with the procurement process in lieu of an expiring contract	Coastal Armature Winders & Supplies CC	Engineering Services	Electrical Services	R 18 124,00	
15	Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Uprint	Corporate Services	Communications	R 2 700,00	
16	Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	CXPRESS	Corporate Services	Communications	R 2 575,08	
21	Procurement of catering services without obtaining 3 quotations as required in terms of Section 16 of the SCM Policy and following official SCM Processes	LM in Plett	Office of the Mayor	Office of the Mayor	R 113 788,90	

22	The procurement of maintenance & support services for the Collaborator system after failing to timely commence with a competitive bidding process as undertaken in the deviation application made in 2017, as required per Section 19 of the SCM Policy	Business Engineering	Corporate Services	Administration Services	R 575 253,00
24	Rendering of services for the provision of Sound at Workshop, before obtaining of an official order as per SCM Policy requirements	Miaay Sounds	Community Services	Housing Administration	R 15 400,00
32	Rendering of Indigent Burial services ,before obtaining of an official order and following official processes as per SCM Policy requirements.	Velleas Building Projects	Community Services	Parks & Recreation	R 14 400,00
34	Procurement of Newspaper publication services for publication of a Municipal Notice, via a single quotation. In terms of Section 16(2) of the SCM Policy the procurement required 3 quotations. Quotations were only sourced from a single potential service provider	Ayanda Mbanga Communications	Corporate Services	Human Resources	R 11 625,12
35	The procurement of Emergency Housing Material after failing to timely commence with a competitive bidding process as undertaken in the deviation application, as required per Section 19 of the SCM Policy	RS & S Construction	Community Services	Housing Administration	R 31 938,06
36	Expenditure incurred for the provision of Copier & Printing Services after failing to timeously commence with the procurement process in lieu of an expiring contract	Ricoh Garden Route	Various	Various	R 4 119,15
37	Expenditure incurred for the provision of Copier & Printing Services after failing to timeously commence with the procurement process in lieu of an expiring contract	Zestrox t/a Nashua George	Various	Various	R 5 640,50
38	Rendering of Toilet Rental services , before obtaining of an official order and following official processes as per SCM Policy requirements.	Sanitech	Community Services	Parks & Recreation	R 10 810,00
23					R 4 698 407,51

## Section 4

### **Directorate: Community Services**

Section 4: Community Services

ITEM C/4/39/01/19

Mayoral Committee for recommendation to Council

**REQUEST FOR PROVISION OF ADDITIONAL FUNDING FOR THE EMERGENCY HOUSING PROJECT AT QOLWENI/BOSSIESGIF AND KURLAND**

**Directorate: Community Services                      Demarcation: Ward 1, 2 &3**

**Portfolio Comm: Corporate & Community Services   Delegation: Council**

**File Ref: 5/8/16, 17/6/3/1 & 17/6/3/2**

**Report from: Directorate: Community Services**

**Author: Director: Community Services**

**Date: 18 January 2019**

**Purpose of the report**

The purpose of this report is to request the Executive Mayoral Committee to recommend to Council the approval of the request for additional funding for the emergency housing project at Qolweni/Bossiesgif and Kurland.

**Introduction**

The National Treasury has approved R3 988 200.00 Grant funding and has transferred this amount against the Municipal Housing Emergency Grant (MEHG) allocation to Bitou Local Municipality.

**Background /Discussion**

The National Treasury Department has approved the Municipal Emergency Housing Grant and has transferred an amount of R 3 988 200.00 against the Municipal Housing Emergency Grant (MEHG) allocation to Bitou Local Municipality for Emergency relief to fund the RELOCATION COST AND TRANSITIONAL RESIDENTIAL AREA UNITS.

**PROBLEM STATEMENT**

The Bitou Municipality has submitted a proposed business plan requesting financial assistance for the devastated families whose houses were burnt in a fire inferno in Kurland 39 shacks, Qolweni 26 shacks, KwaNokuthula 2 RDP and 4 shacks for the construction, electricity connection, water and sanitation connection and relocation at estimated cost R 4 288 200,00. The National Treasurer did not approve that amount.

The National Treasurer did not allocate funding for the excavation and preparation of the plots, the beneficiaries are not keen to move to the transit camp without proper infrastructure onsite on the

## Section 4: Community Services

other hand the National Department of Human Settlement is adamant that the project be implemented within two months.

### **Financial Implication**

R 2 200 000.00 to be approved in the budget adjustment 2018/19 financial year.

### **Relevant Legislation**

The Constitution of the Republic of South Africa: No. 50 of 1996 and Regulations, Section 26: Housing.

Housing Act, No. 107 of 1997 and Housing Act No. 50 of 1999 and Rental Housing and Deeds registries No. 47 of 1937.

Local Government: Municipal Finance Management Act, No. 56 of 2003.

### **Comments: Director Financial Services**

The council should reprioritize the Capital budget if the funding required is more of the priority. It should be noted that most of the projects have commenced and it might be difficult to move funds unless additional funds are sourced from reserves.

### **Comments Acting Head Corporate services**

The comments from the Director Financial Services is supported.

### **Comments Acting Manager: Legal Services**

The recommendation by the acting Municipal Manager is supported

### **Comments: Director Economic Development and Planning**

The recommendation by the acting Municipal Manager is supported.

### **Recommendations by the Acting Municipal Manager**

1. That the report from Director Community Services on the request for additional funding for emergency housing project at Qolweni/Bossiesgif and Kurland be noted
2. That the request by Acting Municipal Manager for the additional funding for emergency housing project at Qolweni/Bossiesgif and Kurland be considered.
3. That the request by Acting Municipal Manager for the R2 200 000,00 for unbudgeted additional work on the emergency housing project at Qolweni/Bossiesgif and Kurland be considered.