

Section 2: Finance

ITEM C/2/155/10/23

REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE 2nd QUARTER 01 OCTOBER TO 31 DECEMBER 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: Acting Director: Financial Services

Author: Manager: Supply Chain Management

Date: 22 January 2025

1. **PURPOSE OF THE REPORT**

- 1.1. To report on the Implementation of the Supply Chain Management Policy, for the 2nd Quarter, i.e., 01 October to 31 December 2024 of the 2024/25 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 29 May 2023.
- 2.3. Section 117 of the MFMA prohibits a Councillor from being a member of a bid committee or any other committee evaluating or approving quotations or tenders. The SCM Policy requires per Section 6 that Council have an oversight role to ensure that the Accounting Officer implements all supply chain management activities in accordance with the SCM Regulations and the Bitou Local Municipality Supply Chain Management Policy (SCM Policy).
- 2.4. Section 6(3) of the SCM Policy requires that the Accounting Officer submit a quarterly report on the implementation of the Supply Chain Management Policy to the Executive Mayor.
- 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 2nd Quarter of the 2024/25 procurement year.

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3. Supply Chain Management Unit

In line with Section 7 of the Council's Approved Supply Chain Management Policy, the Accounting Officer must establish a Supply Chain Management Unit to implement the referred Policy.

The Supply Chain Management Unit operates under the direct administrative charge of the Chief Financial Officer, supervised by the Manager: Supply Chain Management, and the Unit's operations led by both the Head: Acquisition, Contract and Compliance, and the Head: Demand, Logistics and Disposal Management, to whom this duty has been sub-delegated in terms of Section 82 of the Act.

The posts of the Head: Acquisition, Contract and Compliance, and the Head: Demand, Logistics and Disposal Management are permanently filled with commencement date 06 January 2025.

4. Tenders Awarded: Competitive Bidding for all Contracts valued more than R 300 000 (Incl. of VAT)

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 appointments of Chairpersons and Committee Members, the Project Managers and a Senior SCM Practitioner, are 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 appointment of Chairpersons and Committee Members, the Project Managers and a Senior SCM Practitioner, was 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.

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

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

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

4.1.3. 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

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in any award or contract that they will immediately withdraw from participating in any matter whatsoever.

- 4.2. 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.

5. Tender Awards

- 5.1. Awards below R10m: The tender awards made for the Q2 period are valued at **R18 234 027,93** (VAT Incl.). There were eight (8) Tenders awarded by duly delegated Bid Adjudication Committees. The referred awards were valued for more than R300 000 but less than R10 million.
- 5.2. Awards above R10m: The tender awards made for the Q2 period are valued at **R41 283 754,22** (VAT Incl.). There were **two (2)** Tenders awarded by duly delegated Accounting Officer. The referred awards are quantified as follows: -

TENDER NUMBER	DESCRIPTION	TOTAL ESTIMATED AMOUNT (Including VAT)
SCM/2025/14/ENG	Re-advertisement of Upgrading of the Kurland Water Treatment Works: Mechanical and Electrical Engineering Works.	R 30 783 754,22
SCM/2025/20/ENG	Re-advertisement of Mechanical Engineering Works for Various Pump Station and Infrastructure for a Period Ending 30 June 2027- Panel rate-based award	R 10 500 000.00

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TENDERS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/2025/14/ENG	Re-advertisement of Upgrading of the Kurland Water Treatment Works: Mechanical and Electrical Engineering Works.	Mr. M Meiring	01 November 2024	Inenzo Water (Pty) Ltd & Viking Pony Africa Pumps (Pty) Ltd Tricom Africa JV	0	Bitou	R 30 783 754,22
2	SCM/2025/21/ENG	Supply and Installation of Submersible Mixers at Ganse Vallei Wastewater Treatment Works.	Mr. E Oosthuizen	01 November 2024	Northfield Engineering (Pty) Ltd and Ikamva Labantu Engineering (Pty) Ltd	3	Gqeberha	R 1 286 884,27
3	SCM/2024/96/CORP	Provision of Provision of Basic Close Protection Training & Peace officer and Traffic warden training course for law Enforcement officers for a Period Ending 30 June 2027	Mr. P Sebezo	29 November 2024	Lesedi Guarding and Training Services (Pty) Ltd	1	Pretoria	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
3	SCM/2024/96/CORP	Provision of Provision and analysis of Tactical Options for Crowd Control Management and Public Order Management for a Period Ending 30 June 2027	Mr. P Sebezo	29 November 2024	Ithuba Umsundu Security (Pty) Ltd t/a Ithuba Protection Services	0	Midrand	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
4	SCM/2024/119/ENG	Supply & Delivery of Double Cab 4x2 R/B LDV With Canopy; Single Cab 4X2 R/B LDV with Canopy and Single Cab 4X2 R/B Fitted as Mobile Tyre repair response vehicle	Mr. S Sunkar	29 November 2024	Kulungwane Distribution (Pty) Ltd	1	Paarl	R 1 624 260,00
4	SCM/2024/119/ENG	Supply & Delivery of 5 Door Hatchback	Mr. S Sunkar	29 November 2024	Ann Mitt Financial Services (Pty) Ltd	1	Cape Town	R 336 694,70
4	SCM/2024/119/ENG	Supply & Delivery of Ride on Twin drum roller and Trailer	Mr. S Sunkar	29 November 2024	Short's Nissan CC	2	George	R 336 955,75
4	SCM/2024/119/ENG	Supply & Delivery of TLB - Backhoe Yellow plant	Mr. S Sunkar	29 November 2024	Rustic Living Trading 155 (Pty) Ltd	1	Wellington	R 1 380 000,00

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#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
4	SCM/2024/119/ENG	Supply & Delivery of Light Rural Bush 4x4 S/C Fire Truck	Mr. S Sunkar	29 November 2024	Ramcom Trucks and Load Bodies (Pty) Ltd	2	George	R 2 347 335,15
5	SCM/2024/93/ENG	Supply and Delivery of Miniature Substation and Distribution Transformers for a Period Ending 30 June 2027	Mr. MJ Rhode	29 November 2024	Jocastro (Pty) Ltd	1	Atlantis	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
5	SCM/2024/93/ENG	Supply and Delivery of Miniature Substation and Distribution Transformers for a Period Ending 30 June 2027	Mr. MJ Rhode	29 November 2024	Actom Electrical products a division of Actom (Pty) Ltd	1	Gqeberha	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2024/94/ENG	Supply, Delivery and Servicing of 11/22KV Ring Main Units and Bulk Metering Units with Spare Parts for a Period Ending 30 June 2027	Mr. MJ Rhode	29 November 2024	Jocastro (Pty) Ltd	1	Atlantis	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2024/94/ENG	Supply, Delivery and Servicing of 11/22KV Ring Main Units and Bulk Metering Units with Spare Parts for a Period Ending 30 June 2027	Mr. MJ Rhode	29 November 2024	Lucy Electric South Africa (Pty) Ltd	1	Honeydew	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
6	SCM/2024/94/ENG	Supply, Delivery and Servicing of 11/22KV Ring Main Units and Bulk Metering Units with Spare Parts for a Period Ending 30 June 2027	Mr. MJ Rhode	29 November 2024	MDL Knysna (Pty) Ltd t/a MDL Electrical	1	Knysna	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/20/ENG	Re-advertisement of Mechanical Engineering Works for Various Pump Station and Infrastructure for a Period Ending 30 June 2027- Panel rate-based award	Mr. M Meiring	18 December 2024	SNR Electrical CC	1	Bitou	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)
7	SCM/2025/20/ENG	Re-advertisement of Mechanical Engineering Works for Various Pump Station and Infrastructure for a Period Ending 30 June 2027- Panel rate-based award	Mr. M Meiring	18 December 2024	KPC Group (Pty) Ltd	1	Cape Town	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)

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TENDERS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
8	SCM/2025/89/ENG	Supply And Delivery of Water Pumps at Roodefontein Dam Pumpstation.	Ms. S Gobingca	18 December 2024	SNR Electrical CC	1	Bitou	R 1 072 885,60

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

5.3.1. B-BBEE compliant enterprises,

5.3.2. B-BBEE Enterprises within the Bitou Municipality Area,

5.3.3. Enterprises within the Bitou Municipality Area.

5.4. 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 2024/25	2 nd Quarter 2024/25
1.	Tenders Awarded	10	8
2.	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed because of the tenders awarded)	11	17
3.	Estimated Value of Tenders Awarded	R133 463 989,45	R59 517 782,15
4.	Number of Appeals Received	0	1
5.	Number of Appeals in Progress	0	1
6.	Number of successful appeals	0	0
7.	Number of Contracts Awarded to B-BBEE Enterprises	10	15
8.	Value of Contracts Awarded to B-BBEE Enterprises	R133 463 989,45	R28 434 027,93
9.	% of Contracts Awarded to B-BBEE Enterprises	100%	88,24%
10.	Number of Contracts Awarded to Enterprises based in the Bitou Municipality Area	6	3
11.	Estimated Value of Contracts Awarded to Enterprises based in the Bitou Municipality Area	R 67 829 189,46	R42 356 639,82
12.	% of Contracts Awarded to Enterprises based in the Bitou Municipality Area vs All Contracts	60%	17,65%

5.5. 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: Comparative Tender Schedule**), details the tenders opened and awarded versus the unsuccessful competitive bids as per additional Council oversight request.

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6. 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
1.	Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC) - Full Procurement Cycle	130	137
2.	Average Calendar Days from Tender Advertisement Date to BAC	114	126
3.	Average Calendar Days from Tender Closing Date to BAC	85	95
4.	Average Calendar Days from Tender Closing Date to BEC - Tender Evaluation	74	88
5.	Tender with Fastest Procurement Process: Tender Closing Date to BAC	28	28
6.	Tender with Longest Procurement Process: Tender Closing Date to BAC	133	168

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

7.1. 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.

7.2. **Sixteen (16)** RFQ's were awarded by the Directors in terms of their delegated authority for a total value as follows:

FORMAL WRITTEN PRICE QUOTATIONS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/RFQ/2025/16/COMM	Supply and Delivery of Tables and Chairs for Simunye Community Halls.	Mr. M Namntu	01 October 2024	EJ Juries Construction (Pty) Ltd	1	Bitou	R 84 700,00
1	SCM/RFQ/2025/16/COMM	Supply and Delivery of Tables and Chairs for Simunye Community Halls.	Mr. M Namntu	01 October 2024	Kukokonke Trading (Pty) Ltd	1	Bitou	R 195 000,00
2	SCM/RFQ/2025/39/ENG	Repair to Clarifier at Gansevelei Wastewater Treatment Works.	Mr. R Tarentaal	07 October 2024	Viking Pony Africa pumps (Pty) Ltd t/a Tricom Africa	1	Bitou	R 173 774,20
3	SCM/RFQ/2025/44/ENG	Supply And Delivery of 24KV Screened and Unscreened RICS Boots	Mr. John Wienand	13 November 2024	FLO Specialized Product Solutions CC	1	Cape Town	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
4	SCM/RFQ/2025/45/ENG	Supply and Delivery of Construction Material	Ms. S Madolo	12 November 2024	Kumnkani Trading (Pty) Ltd	1	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
4	SCM/RFQ/2025/45/ENG	Supply and Delivery of Construction Material	Ms. S Madolo	12 November 2024	EJ Juries Construction (Pty) Ltd	1	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
4	SCM/RFQ/2025/45/ENG	Supply and Delivery of Construction Material	Ms. S Madolo	12 November 2024	Robberg Quarry (Pty) Ltd	0	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
4	SCM/RFQ/2025/45/ENG	Supply and Delivery of Construction Material	Ms. S Madolo	12 November 2024	South Cape Plant Hire and Civil Contractors (Pty) Ltd	1	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
5	SCM/RFQ/2025/46/CORP	Provision of Recruitment Agency.	Mrs. V Cunningham	13 November 2024	The Assessment Toolbox CC	4	Cape Town	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)

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FORMAL WRITTEN PRICE QUOTATIONS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
7	SCM/RFQ/2025/49/ENG	Supply and Delivery of ¾ inch and 1 inch High Pressure Jetting Hose	Mr. M Jordaan	08 November 2024	Viking Pony Africa Pumps (Pty) Ltd t/a Tricorn Africa	1	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
8	SCM/RFQ/2025/50/ENG	Rewind and Refurbishment of Four (4) off Submersible pumps.	Mr. R Padayachee	07 November 2024	Viking Pony Africa Pumps (Pty) Ltd t/a Tricorn Africa	1	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
9	SCM/RFQ/2025/51/CORP	Supply and Delivery of Communication Promotional branding	Ms. T Siphungu	07 November 2024	EMP Trading Company (Pty) Ltd	0	Paarl	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
9	SCM/RFQ/2025/51/CORP	Supply and Delivery of Communication Promotional branding	Ms. T Siphungu	07 November 2024	Ukuqonoo Construction CC	1	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
10	SCM/RFQ/2025/56/ENG	Supply & Delivery of Various V-Belts, Couplings and Auxiliary Components for Pumps and Motors	Mr. R Padayachee	03 December 2024	Viking Pony Africa Pumps (Pty) Ltd t/a Tricorn Africa	1	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
11	SCM/RFQ/2025/59/ENG	Supply and Delivery of pre-cast concrete sewer manhole rings, cover slabs and concrete lids with galvanized straps	Mr. M Jordaan	03 December 2024	EJ Juries Construction (Pty) Ltd	1	Bitou	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
12	SCM/RFQ/2025/61/MM	Provision of Catering Service for the 16 Days of Activism Launch 23 November 2024 at Kwa-Nokuthula Stadium.	Mr. S Liwani	21 November 2024	S'Phethezona Trading and Investments CC	1	Bitou	R 39 500,00
13	SCM/RFQ/2025/62/FIN	Supply & delivery of various tyres	Ms. A Melamane	03 December 2024	Carmine Red (Pty) Ltd t/a Tyremart Knysna	0	Knysna	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: KURLAND BLOCK 1 (WARD 1)	Mr. A Bongoza	18 December 2024	Sontshi Civils (Pty) Ltd	1	Bitou	R 10 993,28
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: KURLAND BLOCK 2 (WARD 1)	Mr. A Bongoza	18 December 2024	Lizz's Tours (Pty) Ltd	1	Bitou	R 51 060,80
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: QOLWENI & PINETREES (WARD 3)	Mr. A Bongoza	18 December 2024	Mndilisi and Sons Construction (Pty) Ltd	1	Bitou	R 10 316,00

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FORMAL WRITTEN PRICE QUOTATIONS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: NEW HORIZON BLOCK 2 (WARD4)	Mr. A Bongoza	18 December 2024	Selfcon (Pty) Ltd	1	Bitou	R 26 715,50
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: NEW HORIZON BLOCK 1 (WARD4)	Mr. A Bongoza	18 December 2024	Laurencia Andrews t/a Isiyetu Projects (Pty) Ltd	1	Bitou	R 18 700,85
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: KWANOKUTHULA PHASE 1 (WARD 5)	Mr. A Bongoza	18 December 2024	One Way Global Group (Pty) Ltd	1	Bitou	R 18 291,30
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: KWANOKUTHULA PHASE 2 (WARD 5)	Mr. A Bongoza	18 December 2024	Buphelisiwe Construction (Pty) Ltd	1	Bitou	R 15 398,00
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: KWANOKUTHULA PHASE 3 (WARD 6)	Mr. A Bongoza	18 December 2024	Noyo Project Development (Pty) Ltd	1	Bitou	R 24 691,11
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: KWANOKUTHULA PHASE 4 (WARD 6)	Mr. A Bongoza	18 December 2024	Akhanani & Anhe Construction (Pty) Ltd	1	Bitou	R 9 750,00
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: KRANSHOEK BLOCK 1 (WARD 7)	Mr. A Bongoza	18 December 2024	Shekynah Projects CC	1	Bitou	R 20 399,50
14	SCM/RFQ/2025/63/COMM	Grass cutting and cleaning: GREENVALLEY & WITTEDRIFT (WARD 7)	Mr. A Bongoza	18 December 2024	Duncan John William Sam t/a J.J Maintenance	1	Bitou	R 46 387,50
15	SCM/RFQ/2025/67/MM	Provision Of Catering Service for A Christmas Lunch for Elderly and Disabled On 13th December 2024 – Kurland Community Hall	Mr. S Liwani	11 December 2024	S'phethezona Trading and Investments CC	1	Bitou	R 21 175,00
15	SCM/RFQ/2025/67/MM	Provision Of Catering Service for A Christmas Lunch for Elderly and Disabled On 14th December 2024 – Kranshoek Community Hall	Mr. S Liwani	11 December 2024	S'phethezona Trading and Investments CC	1	Bitou	R 24 975,00

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FORMAL WRITTEN PRICE QUOTATIONS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
15	SCM/RFQ/2025/67/MM	Provision Of Catering Service for A Christmas Lunch for Elderly and Disabled On 15th December 2024 – Piesang Valley Community Hall	Mr. S Liwani	11 December 2024	S'phethezona Trading and Investments CC	1	Bitou	R 24 975,00
15	SCM/RFQ/2025/67/MM	Provision Of Catering Service for A Christmas Lunch for Elderly and Disabled On 17th December 2024 – Qolweni Bicycle shed	Mr. S Liwani	11 December 2024	Shekynah Projects CC	1	Bitou	R 19 920,00
15	SCM/RFQ/2025/67/MM	Provision Of Catering Service for A Christmas Lunch for Elderly and Disabled On 18th December 2024 – Kwanokuthula Community Hall	Mr. S Liwani	11 December 2024	Shekynah Projects CC	1	Bitou	R 24 170,00
15	SCM/RFQ/2025/67/MM	Provision Of Catering Service for A Christmas Lunch for Elderly and Disabled On 19th December 2024 – New Horizons Community Hall	Mr. S Liwani	11 December 2024	Shekynah Projects CC	1	Bitou	R 19 920,00
16	SCM/RFQ/2025/70/MM	Provision of Sound System, Stage and Artist, dancers. Management for the Street light Festival Celebration on the 16 December 2024 in Plettenberg Bay Main Street.	Mr. S Liwani	12 December 2024	K2 Squared Trading Project (Pty) Ltd	1	Bitou	R 282 150,00

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The average time of processing the twenty (29) Formal Written Price Quotations in Q2 was **twenty (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.

- 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 addressed promptly by the recipients, resulting to unwarranted delays.

#	Description of Measurement Criteria	Average Calendar Days- 2024/25- Q1	Average Calendar Days- 2024/25- Q2
1	Average Calendar Days from Advertisement Date to Award	26	27
2	Average Calendar Days from Closing Date to Award	17	18

8. 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 2nd Quarter of the 2024/25 procurement year, only **two (2)** deviation was considered and approved to the total value of **R2 836 083,97** as follows:

DEVIATIONS APPROVED DURING 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SE RVICE PROVIDER	AMOUNT
1	2024/10/14	S Pretorious	Exceptional Case	The Bitou municipality have been processing the procurement of the services by Solvem (previously known as Bytes) In relation to the SAMRAS Financial Management System since the advent of the SCM Legislative regime and the mSCOA regulations, as It IS Impractical to summarily replace the current system Such replacement IS also now regulated In terms of the mSCOA regulations to procure	Solvem Consulting (Pty) Ltd	R2 811 243,97

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DEVIATIONS APPROVED DURING 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SE RVICE PROVIDER	AMOUNT
				a financial management system and It IS recommended that a deviation be considered for the procurement of the system With the concomitant services.		
2	2024/12/19	E Oosthuizen	Emergency Case	<p>During the evening of 16 December 2024 at around 18:30 the raw water inflow into the plant reduced significantly indicating a possible problem on the mainline. Due to the topography and limited vehicular accessibility of the pipeline route, water teams were dispatched to walk the route to locate any possible leaks/breaks. A leak was located near co-ord 34°02'10.8''S/ 23°20'29,2'' E. A decision was made to try to our storage reservoirs overnight and shut of the pipeline early morning of 17 December 2024 for repair and to arrange all the necessary resources. The decision was taken since we had a challenge with low reservoirs levels due to high demand because of extremely warm weather and the influx of holiday visitors. From experience the team was aware that a prolonged shutdown (8 hours plus) of the pipeline will be required to do the emergency repairs. Due to the topography of the terrain, locality of the break and the soil conditions (being clay) our wheeled TLB could not reach the site, nor would it be effective in excavating the clay material. The clay soil conditions also make it near impossible to excavate by hand. A track excavator is required to assist the team with exposing the pipe and being contractors break/ festive break, South Cape Plant Hire is able to assist with the hiring of a track excavator immediately. Failure to repair the main</p>	South Cape Plant Hire and Civil Contractors (Pty) Ltd	R24 840,00

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DEVIATIONS APPROVED DURING 2024/25 FINANCIAL YEAR FOR THE QUARTER 2 - PERIOD 01 October to 31 December 2024						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
				waterline immediately, would result in low/ no storage or supply of potable water. This would be aggravated by the high demand during the festive period due to the large influx of holiday makers.		
					<u>TOTAL</u>	<u>R2 836 083,97</u>

8.1. 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 Q1:

Section from SCM Policy	Categories	Value (R) of Deviations Approved	Value (R) of Deviations Approved
		Q1: 2024/25	Q2: 2024/25
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	R24 840,00
36(1)(a)(ii)	Where it can be demonstrated that goods or services are produced or available from a single provider only	R 0.00	R 0.00
36(1)(a)(v)	Exceptional case and it is impractical or impossible to follow the official procurement processes	Ongoing	R2 811 243,97
	<u>Total</u>	<u>Ongoing</u>	<u>R2 836 083,97</u>

8.2. 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.

8.3. Supply Chain Management Bid Committees

8.3.1 Bid Specification Committee

The **Bid Specification Committee (BSC)** had scheduled **eleven (11)** meetings for the 2nd Quarter of the 2024/25 procurement year. The Bid Specification Committee makes use of the Demand Management Plan as a strategic procurement tool.

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#	Description of Criteria	2024/25 Q1	2024/25 Q2
1	Bid Specification Committee Meetings scheduled and convened	12	11

8.3.2 Bid Evaluation Committees

For Quarter 2, the **Bid Evaluation Committee (BEC)** has scheduled **seven (7)** meetings.

#	Description of Criteria	2024/25 Q1	2024/25 Q2
1	Bid Evaluation Committee Meetings scheduled and convened	08	07

8.3.3 Bid Adjudication Committees.

For the 2nd Quarter, the **Bid Adjudication Committee (BAC)** had scheduled **three (3)** meetings.

#	Description of Criteria	2024/25 Q1	2024/25 Q2
1	Bid Adjudication Committee Meetings scheduled and convened	08	03

8.4 Irregular, Fruitless and Wasteful Expenditure.

8.4.1 Potential Irregular Expenditure per Irregular Expenditure Register 2024/25

SCM IE #	Date Incurred	Description of Incident	SCM Policy Transgression	Directorate	Responsible Official	Supplier / Service Provider	Amount (VAT Incl.)
1	29/08/2024	Purchasing of PPE	Section 19- Competitive bidding processes not followed	Corporate Services	Andile Namntu	Laduma Sports	R 29 900,00
2	01/07/2024	Rodent Treatment	Section 19- Competitive bidding processes not followed	Community services	Jeremy Basson	Bidvest Steiner	R 1 773,30
3	01/08/2024	Rodent Treatment	Section 19- Competitive bidding processes not followed	Community services	Jeremy Basson	Bidvest Steiner	R 1 773,30
4	01/09/2024	Rodent Treatment	Section 19- Competitive bidding processes not followed	Community services	Jeremy Basson	Bidvest Steiner	R 1 773,30
5	01/10/2024	Rodent Treatment	Section 19- Competitive bidding processes not followed	Community services	Jeremy Basson	Bidvest Steiner	R 1 773,30
							<u>R 36 993,20</u>

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8.5 Demand Management Plan.

8.5.1 2024 / 2025 (Review)

The Supply Chain Management Unit has commenced with the review process of the Demand Management Plan. Such reviews will be in line with the municipal Adjustment Budget process, as well as both the National and Provincial Governments' adjustment budget that took place in October 2024.

8.5.2 2025 / 2028 Procurement Years

The Supply Chain Management Unit has also commenced with the Demand Management Plan processes for the 2025 / 2028 Procurement Years. This will include numerous consultation processes with the user-departments, including the Budget Office, which are anticipated for finalization on 29 April 2025. Once such processes are completed, a Draft Demand Management Plan for 2025 / 2028 Procurement Years will be submitted, on/about 05 May 2025, to the Chief Financial Officer for review.

FINANCIAL IMPLICATION

Financial implications are inherent in this financial report.

EXECUTIVE SUMMARY

Section 6(3) of the Bitou Supply Chain Management Policy (SCM Policy) requires that the Accounting Officer submit a quarterly report on the implementation of the Policy to the Executive Mayor.

This report contains performance information on Tenders and Formal Written Quotations Awarded, as well as Deviations from the SCM Policy, considered and approved by the delegated officials, for the 2nd Quarter, 01 October to 31 December 2024, of the 2024/25 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 2nd Quarter, 01 October to 31 December 2024, of the 2024/25 procurement year in terms of Section 6(3) of the SCM Policy.

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RECOMMENDED BY THE FINANCE AND CORPORATE SERVICES PORTFOLIO COMMITTEE

1. That Council notes the Supply Chain Management Implementation Report for the 2nd Quarter, 01 October to 31 December 2024, of the 2024/25 procurement year in terms of Section 6(3) of the SCM Policy.