

Section 2: Finance

ITEM C/2/155/10/23

REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY FOR THE 3RD QUARTER 01 JANUARY TO 31 MARCH 2025

Portfolio Comm: Finance & Corporate
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: 03 April 2025

1. **PURPOSE OF THE REPORT**

- 1.1. To report on the Implementation of the Supply Chain Management Policy, for the 3rd Quarter, i.e., 01 January to 31 March 2025 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 3rd 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.

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 them 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 makes 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 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.

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5. Tender Awards

- 5.1. Awards below R10m: The tender awards made for the Q3 period are valued at **R88 636 232,95** (VAT Incl.). There were eight **(6)** 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 Q3 period are valued at **R160 643 724,21** (VAT Incl.). There were **three (3)** Tenders awarded by duly delegated Accounting Officer. The referred awards are quantified as follows: -

TENDER NUMBER	DESCRIPTION	TOTAL ESTIMATED AMOUNT (Including VAT)
SCM/2025/13/COMM	Proposed Lease of Restaurant Premises (Currently known as Grand Africa) Situated at Lookout Beach, Plettenberg Bay.	R 48 718 600,00
SCM/2025/86/EDP	Plettenberg Bay Central Beach: Development Opportunity and Long-term Lease (30 years)	R 45 084 600,00
SCM/2025/99/FIN	Provision of an External Loan to the amount of R40 545 000,00	R 66 840 524,21

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TENDERS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2025								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/2025/90/EDP	Qolweni Phase 4B: Construction of Engineering Services (Payle's Land Infill Site)	Mr. A Fourie	29 January 2025	Benver Civils and Plant Hire (Pty) Ltd	1	George	R 7 824 856,74
2	SCM/2025/13/COMM	Proposed Lease of Restaurant Premises (Currently known as Grand Africa) Situated at Lookout Beach, Plettenberg Bay.	Mr. L Gericke	07 February 2025	Life and Brand Portfolio (Pty) Ltd	8	Cape Town	R 48 718 600,00
3	SCM/2025/86/EDP	Plettenberg Bay Central Beach: Development Opportunity and Long-term Lease (30 years)	Mr. L Gericke	07 February 2025	M Civils (Pty) Ltd	1	Bitou	R 45 084 600,00
4	SCM/2025/91/EDP	Re-Advertisement of Demolition of Existing Partially Completed Building Structure on Erf 156, Plettenberg Bay	Mr. L Gericke	07 March 2025	SA Demolishers CC	0	Durban	R 4 439 644,00
5	SCM/2025/99/FIN	Provision of an External Loan to the amount of R40 545 000,00	Mr. W Beauzick	07 March 2025	Nedbank Limited	1	Bitou	R 66 840 524,21
6	SCM/2025/27/ENG	Perform Electrical Installation, Maintenance and Repair Work on the HV, MV and LV Network for the period ending 30 June 2027 - Panel appointment	Mr. M Meiring	07 March 2025	Demco Technologies (Pty) Ltd	1	Bitou	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 QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2025								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
6	SCM/2025/27/ENG	Perform Electrical Installation, Maintenance and Repair Work on the HV, MV and LV Network for the period ending 30 June 2027 - Panel appointment	Mr. M Meiring	07 March 2025	MDL Engineering Company (Pty) Ltd	6	Knysna	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)
6	SCM/2025/27/ENG	Perform Electrical Installation, Maintenance and Repair Work on the HV, MV and LV Network for the period ending 30 June 2027 - Panel appointment	Mr. M Meiring	07 March 2025	Rihati Utility Services (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)
6	SCM/2025/27/ENG	Perform Electrical Installation, Maintenance and Repair Work on the HV, MV and LV Network for the period ending 30 June 2027 - Panel appointment	Mr. M Meiring	07 March 2025	MTNA Engineering (Pty) Ltd	1	Midrand	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)
6	SCM/2025/27/ENG	Perform Electrical Installation, Maintenance and Repair Work on the HV, MV and LV Network for the period ending 30 June 2027 - Panel appointment	Mr. M Meiring	07 March 2025	SNR Electrical CC	1	Bitou	Rate based, subject to availability of funds, exceeding R 10mil (Incl. VAT)
6	SCM/2025/27/ENG	Perform Electrical Installation, Maintenance and Repair Work on the	Mr. M Meiring	07 March 2025	VE Reticulation (Pty) Ltd	1	Mossel Bay	Rate based, subject to availability of

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#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
		HV, MV and LV Network for the period ending 30 June 2027 - Panel appointment						funds, exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Penpin Trading CC	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Lupha Enterprise (Pty) Ltd	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	WB Tipper Truck & Plant Hire (Pty) Ltd	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Inyameko Construction	1	Knysna	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Sector 6 (Pty) Ltd	1	Durban	Rate based, subject to availability of

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								funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	MC Suppliers & Equipment Hire	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Amila Investments (Pty) Ltd	1	Oudtshoorn	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Autumn Skies Trading 257 CC	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Immex Waste (Pty) Ltd	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	M and S Traffic Services (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not

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#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
								exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Sihle Engineering & construction	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Kukhulu Plant Hire (Pty) Ltd	1	East London	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Zoliset (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Grow Green Plant Hire Solutions	3	George	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Aqua Transport & Plant Hire (Pty) Ltd	1	Durban	Rate based, subject to availability of funds, not

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								exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Nabu Holdings (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	South Cape Plant Hire and Civil Contractors (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Lerou Baueng Trading Enterprise CC	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Builtpro Construction (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Jirah Construction	4	Knysna	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Ekene Investment CC	1	Durban	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
7	SCM/2025/15/ENG	Plant & Machinery Hire for a Contract Period Ending 30 June 2027	Ms. S Madolo	07 March 2025	Kumnkani Trading (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Kurland	Ms. S Madolo	07 March 2025	Libhongo Civil	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Pine Trees	Ms. S Madolo	07 March 2025	Mndilisi and Sons Construction	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: New Horizon	Ms. S Madolo	07 March 2025	Selfcon (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Qolweni	Ms. S Madolo	07 March 2025	Sidomela Trading Enterprise	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Bossiesgif	Ms. S Madolo	07 March 2025	Gqukani Trading (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Kwanokuthula South	Ms. S Madolo	07 March 2025	Akhanani and Anhe Construction	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Kwanokuthula North	Ms. S Madolo	07 March 2025	Otha Construction	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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TENDERS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2025								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Kranshoek	Ms. S Madolo	07 March 2025	Ukuqonoo Construction	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Wittedrift/ Green Valley	Ms. S Madolo	07 March 2025	JJ Maintenance	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Plett North	Ms. S Madolo	07 March 2025	GPARM Protection Services	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
8	SCM/2025/88/ENG	Cleaning Of Roads, SW Channels and Manholes in Residential Areas of Bitou for The Period Ending 30 June 2027: Plett South	Ms. S Madolo	07 March 2025	Furicom (Pty) Ltd	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
9	SCM/2025/44/FIN	Supply and Delivery of Hygiene Products for the period ending 30 June 2027	Ms. A Melamane	07 March 2025	Heico Projects Management (Pty) Ltd	1	George	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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TENDERS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2025								
#	TENDER NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
9	SCM/2025/44/FIN	Supply and Delivery of Hygiene Products for the period ending 30 June 2027	Ms. A Melamane	07 March 2025	KFC Engineering and Industrial Supplies	1	Cape Town	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
9	SCM/2025/44/FIN	Supply and Delivery of Hygiene Products for the period ending 30 June 2027	Ms. A Melamane	07 March 2025	EJ Surgical Solutions (Pty) Ltd	1	George	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
9	SCM/2025/44/FIN	Supply and Delivery of Hygiene Products for the period ending 30 June 2027	Ms. A Melamane	07 March 2025	Ukuqonoo Construction	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
9	SCM/2025/44/FIN	Supply and Delivery of Hygiene Products for the period ending 30 June 2027	Ms. A Melamane	07 March 2025	Kukokonke Trading	1	Bitou	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)
9	SCM/2025/44/FIN	Supply and Delivery of Hygiene Products for the period ending 30 June 2027	Ms. A Melamane	07 March 2025	Kingpin Suppliers	2	George	Rate based, subject to availability of funds, not exceeding R 10mil (Incl. VAT)

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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	2nd Quarter 2024/25	3rd Quarter 2024/25
1.	Tenders Awarded	10	8	9
2.	Contracts concluded resulting from the tenders. (Individual suppliers or service providers appointed because of the tenders awarded)	11	17	50
3.	Estimated Value of Tenders Awarded	R133 463 989,45	R59 517 782,15	R204 449 432,95
4.	Number of Appeals Received	0	1	2
5.	Number of Appeals in Progress	0	1	1
6.	Number of successful appeals	0	0	0
7.	Number of Contracts Awarded to B-BBEE Enterprises	10	15	49
8.	Value of Contracts Awarded to B-BBEE Enterprises	R133 463 989,45	R28 434 027,93	R204 449 432,95
9.	% of Contracts Awarded to B-BBEE Enterprises	100%	88,24%	100%
10.	Number of Contracts Awarded to Enterprises based in the Bitou Municipality Area	6	3	29
11.	Estimated Value of Contracts Awarded to Enterprises based in the Bitou Municipality Area	R 67 829 189,46	R42 356 639,82	R143 466 332,21
12.	% of Contracts Awarded to Enterprises based in the Bitou Municipality Area vs All Contracts	60%	17,65%	58,00%

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

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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.

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	Average Calendar Days Q3
1.	Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC) - Full Procurement Cycle	130	137	136
2.	Average Calendar Days from Tender Advertisement Date to BAC	114	126	129
3.	Average Calendar Days from Tender Closing Date to BAC	85	95	87
4.	Average Calendar Days from Tender Closing Date to BEC - Tender Evaluation	74	88	82
5.	Tender with Fastest Procurement Process: Tender Closing Date to BAC	28	28	28
6.	Tender with Longest Procurement Process: Tender Closing Date to BAC	133	168	175

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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. **Eight (8)** 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 QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2025								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
1	SCM/RFQ/2025/38/CORP	Supply & Delivery of Geode GNS3 Receiver and Accessories	Mr. R Kova	31 January 2025	Tersus GNSS South Africa (Pty) Ltd	0	Gauteng	R 127 291,55
2	SCM/RFQ/2025/64/COMM	Provision of Pest Control and Fumigation	Mr. A Bongoza	07 February 2025	APCOT Trading (Pty) Ltd	0	George	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
3	SCM/RFQ/2025/65/ENG	Service And Rewind of Four Various Sized Submersible Sewer Pumps.	Mr. Ravi Padayachee	04 February 2025	Jarvis Electrowinding Mossel Bay (Pty) Ltd	0	Mossel Bay	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
4	SCM/RFQ/2025/66/MM	Provision Of Internal Audit Quality Assurance Review	Mr. C Koeberg	31 January 2025	Excellent Minds Institute Inc	1	Polokwane	R 180 780,00
5	SCM/RFQ/2025/71/COMM	Repairs & Maintenance of Small Plant & Machinery-panel appointment	Mr. F Coetzee	26 February 2025	The Cut N Mow Specialists (Pty) Ltd t/a George Lawnmowers & Chainsaws	2	George	Various rates, total transactions are limited to R 300 000.00 combined value of panel appointments (Incl. VAT)
5	SCM/RFQ/2025/71/COMM	Repairs & Maintenance of Small Plant & Machinery-panel appointment	Mr. F Coetzee	26 February 2025	Plettenberg Bay Mowers (Pty) Ltd	4	Bitou	Various rates, total transactions are limited to R 300 000.00 combined value of panel

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FORMAL WRITTEN PRICE QUOTATIONS AWARDED DURING THE 2024/25 FINANCIAL YEAR FOR QUARTER 3 - PERIOD 01 JANUARY TO 31 MARCH 2025								
#	FWPQ NUMBER	DESCRIPTION	PROJECT MANAGER	DATE OF AWARD	AWARDED TO	B-BBEE STATUS LEVEL	LOCALITY	TOTAL ESTIMATED AMOUNT (Including VAT)
								appointments (Incl. VAT)
6	SCM/RFQ/2025/72/ENG	Provision of Laboratory Services for the Testing and Analysis of Drinking Water and Wastewater Compliance Testing	Mr. E Oosthuizen	26 February 2025	Integral Laboratories SA (Pty) Ltd	2	Paarl	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
7	SCM/RFQ/2025/77/COMM	Re-Advertisement of Supply & Delivery of Firefighting Portable Equipment	Mr. A Swanepoel	26 February 2025	Vanguard Fire and Safety Inland (Pty) Ltd	0	Durban	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)
8	SCM/RFQ/2025/79/CORP	Provision of Recruitment Agency	Mrs. V Cunningham	25 February 2025	Roy Steele and Associates CC	0	Langebaan	Various rates, total transactions are limited to R 300 000.00 (Incl. VAT)

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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	Average Calendar Days- 2024/25- Q3
1	Average Calendar Days from Advertisement Date to Award	26	27	44
2	Average Calendar Days from Closing Date to Award	17	18	36

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 3rd Quarter of the 2024/25 procurement year, only **one (1)** deviation was considered and approved to the total value of **R7 850,00** as follows:

DEVIATIONS APPROVED DURING 2024/25 FINANCIAL YEAR FOR QUARTER 3 - PERIOD 01 January to 31 March 2025						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
1	2025/03/20	M. Mbali	Exceptional Case	The Dept Local Government is hosting a Regional CDW on 24 and 25 March. The funding to be used is the CDW Grant which comes from the province. The request is to accommodate 22 officials from the province and their request is to find a resort to accommodate everyone. Currently, Forever Resort is the only resort that is on CSD and has all their tax matters in order. This is the reason why the deviation is the only logical method to get the procurement	Forever Resorts, Plettenberg Bay	R7 850,00

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DEVIATIONS APPROVED DURING 2024/25 FINANCIAL YEAR FOR QUARTER 3 - PERIOD 01 January to 31 March 2025						
#	DATE APPROVED	PROJECT MANAGER	REASON FOR DEVIATION	MOTIVATION FOR DEVIATION	SUPPLIER/SERVICE PROVIDER	AMOUNT
				done based on the advice received from SCM.		
					<u>TOTAL</u>	<u>R7 850,00</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 & Q2:

Section of SCM Policy	Categories	Value (R) of Deviations Approved	Value (R) of Deviations Approved	Value (R) of Deviations Approved
		Q1: 2024/25	Q2: 2024/25	Q3: 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	R 0.00
36(1)(a)(ii)	Where it can be demonstrated that goods or services are produced or available from a single provider only	R 0.00	R 0.00	R 0.00
36(1)(a)(v)	Exceptional case and it is impractical or impossible to follow the official procurement processes	Ongoing	R2 811 243,97	R7 850,00
	<u>Total</u>	<u>Ongoing</u>	<u>R2 836 083,97</u>	<u>R7 850,00</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 **twelve (12)** meetings for the 3rd Quarter of the 2024/25 procurement year. The Bid Specification Committee makes use of the Demand Management Plan as a strategic procurement tool.

#	Description of Criteria	2024/25 Q1	2024/25 Q2	2024/25 Q3
1	Bid Specification Committee Meetings scheduled and convened	12	11	12

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8.3.2 Bid Evaluation Committees

For the 3rd Quarter, the **Bid Evaluation Committee (BEC)** has scheduled **eight (8)** meetings.

#	Description of Criteria	2024/25 Q1	2024/25 Q2	2024/25 Q3
1	Bid Evaluation Committee Meetings scheduled and convened	08	07	08

8.3.3 Bid Adjudication Committees.

For the 3rd Quarter, the **Bid Adjudication Committee (BAC)** had scheduled **six (6)** meetings.

#	Description of Criteria	2024/25 Q1	2024/25 Q2	2024/25 Q3
1	Bid Adjudication Committee Meetings scheduled and convened	08	03	06

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>

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 processes,

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as well as with 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 12 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 3rd Quarter, 02 January to 31 March 2025, 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 3rd Quarter, 01 January to 31 March 2025, of the 2024/25 procurement year in terms of Section 6(3) of the SCM Policy.

RECOMMENDED BY THE FINANCE AND CORPORATE SERVICES PORTFOLIO COMMITTEE

1. That Council notes the Supply Chain Management Implementation Report for the 3rd Quarter, 01 January to 31 March 2025, of the 2024/25 procurement year in terms of Section 6(3) of the SCM Policy.