



REPORT TO MAYOR ON THE IMPLEMENTATION OF SCM POLICY IN TERMS OF REGULATION 6(3) OF THE SCM REGULATION OF 30 MAY 2005.

SUBJECT: REPORT OF THE IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY: QUARTER 1 (01 July 2025 – 30 September 2025)

1. PURPOSE OF THE REPORT

The purpose of this report is to inform the Mayor regarding the implementation of the Supply Chain Management (SCM) Policy adopted on (27 May 2024), in order to perform oversight role for the 2025-2026 financial year.

2. BACKGROUND

Regulation 6(3) of the SCM Regulation of 30 May 2005 as amended states the following: the accounting officer must, within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Mayor. The reports must be made public in accordance with section 21A of the Municipal Systems Act.

Within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality.

This report also indicates if there are serious and material changes encountered in the implementation of the SCM Policy.

3. DISCUSSION

3.1 Adoption of SCM Policies in terms of SCM Regulation 3(1)

Indicate whether policy reviewed and adopted by council in terms of SCM regulation 3. (If not indicate the reason why?)

- Tswelopele Local Municipality Supply Chain Management was reviewed on the 27 May 2024 prior to council approval.

3.2 Capacity of SCM Unit

Number of funded post	Number of filled post	Number of vacant post	Date to fill Vacant Post	Comments
4	4	0	N/A	None

3.3 Competitive bidding process

Tenders awarded:

Description	Value of tenders awarded	Supplier Name	Date awarded	Comments
SCM/TSW/01/2025-2026: Supply, Delivery And Installation Of 3x High Mast Lights In Tikwana/Hoopstad Ward 6&8	R1 414 500	Rhuone Projects and Plant Hire	21/08/2025	Active
Scm/Tsw/03/2025-2026: Lease And Maintenance Of Business Machines For Three (3) Years.	N/A	BHR BES	02/09/2025	Active

3.4 Deviations

(Complete the table below and attach deviation register as an Annexure to the report)
Deviation Register attached.

Description	Supplier Name	Value for deviations	Reason for deviations
Single source - Sole provider	Westvaal Motor Holdings Pty Ltd Welkom	R10 636,43	The bakkie is under warranty and was procured from Westvaal Motor Holdings but does not have service plan

Description	Supplier Name	Value for deviations	Reason for deviations
Single source - Sole provider	ldgmarketing	R6 325,00	The gazebo was purchased from LDG marketing and in the event of any damage to the gazebo, LDG Marketing agrees to carry out necessary repairs, - These repairs will be provided at a preferential (discounted) warranty rate, agreed to be lower than standard market prices.

3.5 Irregular Expenditure

(Complete the table below and attach irregular expenditure register as an Annexure to the report)

Description	Supplier Name	Total Amount (Rand)	Reason for irregular
Non-compliance with SCM requirements	FIDELITY	20 143,60	Appointment of bidder that is a subcontractor to the other bidder is same application
Non-compliance with SCM requirements	TESTIT LABS	164 199,71	Specific Goals did not sum up to 20 as required by regulations
Non-compliance with SCM requirements	Mega Water Trading & Projects	597 454,08	Panel consist of only two suppliers and did not include other qualifying bidders
Non-compliance with SCM requirements	Blair Attorneys	116 158,99	Quotation process not followed
Non-compliance with SCM requirements	FIDELITY SERVICES GROUP	14 777,75	Appointment of bidder that is a subcontractor to the other bidder is same application
Contract extension in excess of 15% (Circular 62)	ITEC ALENTI	13 132,16	Contract extension above 15%
Non-compliance with SCM requirements	DIGICOMS TELEPHONY & IN	50 207,30	Appointed bidder did to meet the specifications required
Non-compliance with SCM requirements	FIDELITY	21 456,96	Appointment of bidder that is a subcontractor to the other bidder is same application
Non-compliance with SCM requirements	DIGICOMMS	49 290,98	Appointed bidder did to meet the specifications required
Non-compliance with SCM requirements	TESTIT LABS	50 292,21	Specific Goals did not sum up to 20 as required by regulations

Description	Supplier Name	Total Amount (Rand)	Reason for irregular
Non-compliance with SCM requirements	Mega Water Trading & Projects	583 854,08	Panel consist of only two suppliers and did not include other qualifying bidders
Non-compliance with SCM requirements	PHUTHADITJHABA TRADING ENTERPR	365 358,42	Appointment of security service Non-compliance with SCM regulations
Contract extension in excess of 15% (Circular 62)	ITEC ALENTI	35 841,23	Contract extension above 15%
Non-compliance with SCM requirements	NJG Visser	289 547,52	Cession for Upgrading of Bulk Water Supply Phase 4 - Not awarded to the highest bidder
Non-compliance with SCM requirements	BAAPO Consulting Engineers	367 826,09	Cession for Upgrading of Bulk Water Supply Phase 4 - Not awarded to the highest bidder
Contract extension in excess of 15% (Circular 62)	ITEC ALENTI	134 943,37	Contract extension above 15%
Non-compliance with SCM requirements	Majavu Inc	245 871,20	Quotation process not followed
Non-compliance with SCM requirements	BLAQ M	1 276 756,61	Did not specify the allocation of specific goals
Non-compliance with SCM requirements	Follow the Star	90 906,17	Reticulation 499 sites Inadequate composition of bid adjudication committee
Non-compliance with SCM requirements	DIGICOMMS	39 660,44	Appointed bidder did to meet the specifications required
Non-compliance with SCM requirements	FIDELITY	21 628,23	Appointment of bidder that is a subcontractor to the other bidder is same application
Non-compliance with SCM requirements	FIDELITY SERVICES GROUP	14 777,75	Appointment of bidder that is a subcontractor to the other bidder is same application
Non-compliance with SCM requirements	TESTIT LABS	50 292,21	Specific Goals did not sum up to 20 as required by regulations
Non-compliance with SCM requirements	Mega Water Trading & Projects	597 454,08	Panel consist of only two suppliers and did not include other qualifying bidders
Non-compliance with SCM requirements	Magate Phala & Associates	257 666,00	Procurement process not followed

Description	Supplier Name	Total Amount (Rand)	Reason for irregular
Non-compliance with SCM requirements	MAGATE PHALA AND ASSOCIATES	567 468,08	Procurement process not followed

3.6 Procurement through SCM Regulation 32

Description	The name of the Entity that SCM Regulation 32 was sourced from.	Service Provider	Date Sourced	The total value of tenders	Comments
None					

3.7 e-Tender Publication Portal In terms of Circular 83

Description	The number of tenders published.	The number of tenders cancelled.	The number of tenders re-advertised.	The number of tenders awarded.	Comments
SCM/TSW/01/2025-2026: SUPPLY, DELIVERY AND INSTALLATION OF 3X HIGH MAST LIGHTS IN TIKWANA/HOOPSTAD WARD 6&8	0	0	0	1	Awarded
SCM/TSW/02/2025-2026: APPOINTMENT OF A SERVICE PROVIDER FOR SUPPLY AND DELIVERY OF PK100 UNI HYDRAULIC STATIC TYPE, BRICK, BLOCK AND PAVING MAKING MACHINE	1	1	0	0	No successful bidders
SCM/TSW/03/2025-2026: LEASE AND MAINTENANCE OF BUSINESS MACHINES FOR THREE (3) YEARS	1	0	0	1	Awarded
SCM/TSW/04/2025-2026: APPOINTMENT OF PANEL OF SERVICE PROVIDERS FOR REPAIRS AND MAINTENANCE OF SEWERAGE AND WATER PUMPS WITHIN TSWELOPELE LOCAL	1	0	0	0	Evaluation process

Description	The number of tenders published.	The number of tenders cancelled.	The number of tenders re-advertised.	The number of tenders awarded.	Comments
MUNICIPALITY FOR THE PERIOD OF THREE (3) YEARS					
SCM/TSW/05/2025-2026: APPOINTMENT OF PANEL OF SERVICE PROVIDERS FOR SUPPLY AND DELIVERY WATER PURIFICATION CHEMICALS TO TSWELOPELE LOCAL MUNICIPALITY: BULTFONTEIN AND HOOPSTAD UNIT FOR PERIOD OF THREE (3) 1YEARS.	1	0	0	0	Evaluation process
SCM/TSW/06/2025-2026: APPOINTMENT OF A SERVICE PROVIDER FOR SUPPLY OF ELECTRICITY PRE-PAID VENDING SYSTEM AND AMR SYSTEM FOR BULK METERS. AT THE TSWELOPELE LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS	1	0	0	0	Closing date second quarter: 23 October 2025
SCM/TSW/07/2025-2026: APPOINTMENT OF A CONSULTANT TO UNDERTAKE A LAND DEVELOPMENT APPLICATION FOR THE PROPOSED SUBDIVISION AND REZONING OF FARM BULTFONTEIN 396, DISTRICT BULTFONTEIN TSWELOPELE LOCAL MUNICIPALITY	1	0	0	0	Closing date second quarter: 17 October 2025
SCM/TSW/08/2025-2026: SUPPLY AND DELIVERY OF MATERIALS FOR CONSTRUCTION (LABOUR), REPAIRS AND REFURBISHMENT OF SOLOMON MAHLANGU HALL AND TOWNHALL OFFICES IN HOOPSTAD/TIKWANA	1	0	0	0	Closing date second quarter: 01 October 2025
SCM/TSW/09/2025-2026: APPOINTMENT OF A SERVICE PROVIDER FOR SUPPLY AND DELIVERY OF 2200m ² OF grey 80mm INTERLOCKING PAVING BLOCKS AT BULTFONTEIN TECHNICAL DEPARTMENT OFFICES.	1	0	0	0	Closing date second quarter: 01 October 2025
SCM/TSW/10/2025-2026: APPOINTMENT OF SERVICE PROVIDER FOR SERVICING OF TRANSFORMERS, REPAIR OIL LEAKS AND MIANTENANCE OF T3	1	0	0	0	Closing date second quarter: 01 October 2025

Description	The number of tenders published.	The number of tenders cancelled.	The number of tenders re-advertised.	The number of tenders awarded.	Comments
AND K3 SWITCHGEAR IN BULTFONTEIN AND HOOPSTAD					
SCM/TSW/11/2025-2026: LEASING OF EQUIPMENT (2X 30TON EXCAVATOR) ON A FULL MAINTENANCE LEASE FOR TSWELOPELE LOCAL MUNICIPALITY AT BULTFONTEIN AND HOOPSTAD TECHNICAL DEPARTMENT FOR A PERIOD OF 30 DAYS (01 MONTH)	1	0	0	0	Closing date second quarter: 01 October 2025
SCM/TSW/12/2025-2026: REHABILITATION AND CONSTRUCTION AT EXISTING SPORTS FACILITIES – PHASE 5	1	0	0	0	Closing date second quarter: 13 October 2025

3.8 Contract Performance Management

Management of contract in terms of Sec. 116 of MFMA **(Elaborate on contractor performance and attach contract register)**

Contract Register attached.

3.9 FMCMM

Indicate whether FMCMM SCM module (18 and 21) is reviewed in quarterly basis and whether action plans developed and addressed. **(If not indicate the reason why?)**

Review in progress

3.10 Audit findings

Indicate progress of resolving SCM issues in the Audit Action Plan. **(Audit Action Plan attached)**

Number of Action Plans	Achieved	Not yet due	Not Achieved
Audit still in progress			

4. Recommendation

Compiled by:



K Lebitsa
Manager: SCM

22/10/2025
Date

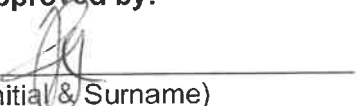
Reviewed by:



T Matyesini
Chief Financial Officer

22/10/2025
Date

Approved by:



(Initial & Surname)
Municipal Manager

22/10/2025
Date