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 4 (01 April 2025 – 30 June 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 2024-2025 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	3	1	01 July 2025	The position of the manager SCM was vacant as at 30 June 2025. However The processes of filling the position was finalized and filled from 01 July 2025.

3.3 Competitive bidding process

Tenders awarded:

Description	Value of tenders awarded	Supplier Name	Date awarded	Comments
Appointment of Service Provider for supply and delivery of 5400 m² of grey 80mm Interlocking paving blocks at Bultfontein Technical Offices.	R1 030 676,28	Rehlohonolofaditswe Projects	11/04/2025	Contract ends after delivery
Appointment of a service provider for supply, delivery and maintenance of 2x self-bunded diesel tanks (23 000 litres per tank).	R1 361 600	Klit Holdings	11/04/2025	Transfer of maintenance skills to staff
Appointment of a service provider for supply and delivery of water works inventory for Tswelopele Local Municipality.	R404 913,85	Saldana Project	11/04/2025	Contract ends after delivery
Medical examination for Tswelopele Local Municipality's Employees in terms of Occupational Health and safety act for Three (3) Years	N/A	MIMED	11/04/2025	Active
Appointment of panel of consultants for professional engineering related services for the period of three years in	N/A	Panel	19/05/2025	Active

Description	Value of tenders awarded	Supplier Name	Date awarded	Comments
Tswelopele local municipality				
Panel of service providers for supply and delivery of diesel for Tswelopele local municipality for period of 3 years.	N/A	Panel	19/05/2025	Active
Appointment of transactional advisory for Tswelopele local municipality for period ending 30 June 2028	N/A	Panel	19/05/2025	Active
Panel for maintenance of vehicles and other equipment, including supply of parts for Three (3) Years	N/A	Panel	26/05/2025	Active
Appointment of a panel of service providers for travel management agencies for Tswelopele local municipality for three (3) years	N/A	Panel	26/05/2025	Active
Compilation of a GRAP compliant asset register for financial year 2024-2025, 2025-2026, and 2026-2027	R2 593 632,72	Black Dot Property Consultants	27/05/2025	Active
Appointment of a panel of attorneys to provide legal services for Tswelopele local municipality	N/A	Panel	27/06/2025	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
Hiring of the mayor's official vehicle	Jessyndi Travel T/A Mih	R104 512,03	Emergency procurement
Repairs of TLB machine	Barloworld Equipment	R64 344,20	Emergency procurement
Repairs of Old Age Home Mini Sub	Tri-Lectro Elektrise Ko	R61 427,90	Emergency procurement

3.5 Irregular Expenditure

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

Description	Supplier Name	Total Amount	Reason for irregular
Competitive bidding process	DIGICOMs	42 140.13	Non-compliance with SCM requirements
Competitive bidding process	FIDELITY	20 241.35	Non-compliance with SCM requirements
Contract Management	ITEC ALENTI	54 832.63	Contract extension in excess of 15% (Circular 62)
Competitive bidding process	Mega Water Trading & Projects	583 854.08	Non-compliance with SCM requirements
Competitive bidding process	TESTIT LABS	101 178.49	Non-compliance with SCM requirements
Competitive bidding process	Puruma Sebata	88 821.00	Non-compliance with SCM requirements
Competitive bidding process	Follow the Star	239 938.00	Non-compliance with SCM requirements
Competitive bidding process	Phuthadichaba Trading	365 358.42	Non-compliance with SCM requirements
Competitive bidding process	VETRIVIER BOEREDIENSTE	371 700.00	Non-compliance with SCM requirements

Description	Supplier Name	Total Amount	Reason for irregular
Competitive bidding process	JICAMA 167	586 033.60	Non-compliance with SCM requirements
Competitive bidding process	DIGICOMS	43 447.94	Non-compliance with SCM requirements
Competitive bidding process	Fidelity	20 044.90	Non-compliance with SCM requirements
Competitive bidding process	JICAMA 167	7 680.00	Non-compliance with SCM requirements
Contract management	ITEC ALENTI	56 632.36	Contract extension in excess of 15% (Circular 62)
Competitive bidding process	TESTIT LABS	50 292.21	Non-compliance with SCM requirements
Competitive bidding process	FIDELITY SERVICES GROUP	14 778.00	Non-compliance with SCM requirements
Competitive bidding process	Puruma Sebata	78 952.00	Non-compliance with SCM requirements
Competitive bidding process	Phuthadichaba	365 358.42	Non-compliance with SCM requirements
Contract management	ITEC ALENTI	60 262.10	Contract extension in excess of 15% (Circular 62)
Competitive bidding process	Follow the Star Trading	230 577.00	Non-compliance with SCM requirements

Description	Supplier Name	Total Amount	Reason for irregular
Competitive bidding process	Mega Water Trading & Projects	583 854.08	Non-compliance with SCM requirements
Competitive bidding process	VETRIVIER BOEREDIENSTE	371 700.00	Non-compliance with SCM requirements

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/15/2024-2025 - READVERT- LEASE AND MAINTENANCE OF BUSINESS MACHINES FOR THREE (3) YEARS-READVERT	0	1	0	0	Service provider cancelled the appointment
SCM/TSW/16/2024-2025 - APPOINTMENT OF A SERVICE PROVIDER FOR SUPPLY, DELIVERY, INSTALLATION AND MAINTENANCE OF 2x SELF BUNDED DIESEL TANK (23 000 LITRES PER TANK)	0	0	0	1	
SCM/TSW/22/2024-2025 - APPOINTMENT OF PANEL OF CONSULTANTS FOR PROFESSIONAL ENGINEERING RELATED SERVICES FOR THE PERIOD OF THREE YEARS IN TSWELOPELE LOCAL MUNICIPALITY	0	0	0	1	77 Service providers appointed
SCM/TSW/11/2024-2025 READVERT- APPOINTMENT OF A PANEL OF SERVICE PROVIDERS FOR TRAVEL MANAGEMENT AGENCIES FOR TSWELOPELE LOCAL MUNICIPALITY FOR THREE (3) YEARS.RE-ADVERT	0	0	0	1	5 Service providers appointed
RFP/TSW/12/2024-2025: RE-ADVERT- MEDICAL EXAMINATION FOR TSWELOPELE LOCAL MUNICIPALITY'S EMPLOYEES	0	0	0	1	

Description	The number of tenders published.	The number of tenders cancelled.	The number of tenders re-advertised.	The number of tenders awarded.	Comments
IN TERMS OF OCCUPATIONAL HEALTH AND SAFETY ACT FOR THREE (3) YEARS.					
SCM/TSW/10/2024-2025 – RE-ADVERT - PANEL FOR MAINTENANCE OF VEHICLES AND OTHER EQUIPMENT, INCLUDING SUPPLY OF PARTS FOR THREE (3) YEARS, AS AND WHEN NEEDED.	0	0	0	1	5 Service providers appointed
SCM/TSW/25/2024-2025- APPOINTMENT OF A SERVICE PROVIDER FOR SUPPLY AND DELIVERY OF WATER WORKS INVENTORY FOR TSWELOPELE LOCAL MUNICIPALITY.	0	0	0	1	
SCM/TSW/23/2024-2025- APPOINTMENT OF SERVICE PROVIDER FOR SUPPLY AND DELIVERY OF 5400 m² OF grey 80mm INTERLOCKING PAVING BLOCKS AT BULTFONTEIN TECHNICAL DEPARTMENT OFFICES.	0	0	0	1	
SCM/TSW/03/2024-2025 – READVERT- APPOINTMENT OF A PANEL OF ATTORNEYS TO PROVIDE LEGAL SERVICES FOR TSWELOPELE LOCAL MUNICIPALITY “AS WHEN AND	0	0	0	1	20 Service providers appointed

Description	The number of tenders published.	The number of tenders cancelled.	The number of tenders re-advertised.	The number of tenders awarded.	Comments
REQUIRED BASIS" FOR THREE (3) YEARS - READVERT					
SCM/TSW/26/2024-2025–PANEL OF SERVICE PROVIDERS FOR SUPPLY AND DELIVERY OF DIESEL FOR TSWELOPELE LOCAL MUNICIPALITY FOR PERIOD of 3 YEARS.	0	0	0	1	10 Service providers appointed
SCM/TSW/04/2024-2025. READVERT- APPOINTMENT OF PANEL OF TRANSACTIONAL ADVISORS FOR TSWELOPELE LOCAL MUNIICPALITY FOR THREE (3) YEARS – RE-ADVERT	0	0	0	1	5 Service providers appointed
SCM/TSW/27/2024-2025: Compilation of a GRAP Compliant Asset Register for Financial Year 2024-2025, 2025-2026, and 2026-2027	1	0	0	1	
SCM/TSW/01/2025-2026: Supply, Delivery and Installation of 3X High Mast Lights in Tikwana/ Hoopstad- Ward 6 & 8. (CIDB Contractor Grading of 3EP)	1	0	0	0	
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 at Bultfontein Technical Department Offices.	1	0	0	0	

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?)**

The review completed

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
10	3	6	1
	30%	60%	10%

4. Recommendation

Compiled by:

K Lebitsa _14/07/2025_
(Initial & Surname) Date
Manager: SCM

Reviewed by:

SG Tsoleli *(Acting CFO)* _14/07/2025_
(Initial & Surname) Date
Chief Financial Officer

Approved by:

__S Rabanye_*(Acting MM)*_ _14/07/2025__
(Initial & Surname) Date
Municipal Manager