

# **SWELLEN DAM MUNICIPALITY**



## **SUPPLY CHAIN MANAGEMENT MONTHLY REPORT**

**May 2024**

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## 1. ABBREVIATIONS

- 1.1 “**SWDM**” refers to Swellendam Municipality;
- 1.2 “**SCM**” refers to Supply Chain Management;
- 1.3 “**Manager SCM**” refers to the Sectional Head of the Supply Chain Management Division;
- 1.4 “**CFO**” refers to Director Financial Services;
- 1.5 “**MFMA**” means the Municipal Finance Management Act 56 of 2003;

## 2. PURPOSE OF THIS POLICY

- 2.1 The SCM monthly report is prepared to inform Council on key SCM monthly activities and adhere to the reporting requirements in terms of the Legislative Framework.

## 3. LEGISLATIVE FRAMEWORK

- 3.1 The report was prepared to take into consideration the legislative reporting requirements:
  - 3.1.1 Municipal Finance Management Act, 2003
  - 3.1.2 Municipal Supply Chain Management Regulation, 2005
  - 3.1.3 Municipal Supply Chain Management Policy, 2023

## 4. PROCUREMENT STATISTICS FOR THE MONTH

- 4.1 The table below provides information on the number of SCM activities for the month:

| Nr. | Process description                                   | Qty | Value       |
|-----|-------------------------------------------------------|-----|-------------|
| 1.  | No of Bid Specification Committee meetings            | 7   | n/a         |
| 2.  | No of Bid Evaluation Committee meetings               | 8   | n/a         |
| 3.  | No of Bid Adjudication meetings                       | 5   | n/a         |
| 4.  | No of orders processed/placed                         | 446 | R9 925 618  |
| 5.  | No of formal quotations awarded (R30 000 to R300 000) | 5   | R583 459    |
| 6.  | No of tenders awarded above R300 000                  | 4   | R31 372 686 |
| 7.  | No of awards above R30 000 (CIDB)                     | 2   | R10 241 085 |
| 8.  | No of contract price increases approved               | 0   | n/a         |
| 9.  | No of contracts amended i.t.o MFMA circular 62        | 2   | R163 500    |
| 10. | No of contracts amended i.t.o s.116(3) of MFMA        | 1   | R32 954     |
| 11. | No of Deviations                                      | 5   | R834 345    |
| 12. | No of minor breaches                                  | -   | -           |
| 13. | No of stock receipts                                  | 150 | R547 576    |
| 14. | No of stock issued                                    | 811 | (R450 536)  |
| 15. | No of stock disposal                                  | -   | -           |
| 16. | No of stock take                                      | 1   | R5 979 229  |
| 17. | No of requests received for disposal                  | 1   | R263        |

## 5. AWARDS ABOVE R 100 000 REPORTED TO NATIONAL TREASURY

- 5.1 Sections 74(1) and 104(1)(b) of the Municipal Finance Management Act (MFMA) prescribes the following regarding general reporting obligations:

"The accounting officer of a municipality must submit to the National Treasury, the Provincial Treasury, the Department for Local Government in the Province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required."

- 5.2 National Treasury per MFMA Circular No 34 issued instructions to all municipalities to report effective from 1 July 2006 per the above, to disclose all awards made for contracts above the value of R100 000.

- 5.3 Below is a table of the key information submitted:

| Contract reference | Service provider/ Supplier   | Contract Description                                                                                            | Total value of contract | Duration of Contract | B-BBEE Status |
|--------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|---------------|
| SMQ43/23/24        | Waste Mart (Pty)Ltd          | Provision for the disposal of Streetlights for a 3 Year Period                                                  | R129 049,93             | 36 months            | 1             |
| SMT17/23/24        | Biocure (Pty)Ltd             | Supply and Delivery of Chemicals for Sludge Thickening at WWTW for a 3-year period                              | R842 770,00             | 36 months            | 1             |
| SMT36/23/24        | Raaleborg Enviromental       | Management of the Bontebok Waste Disposal Facility for a three-year period                                      | R20 288 830,66          | 36 months            | 1             |
| SMT37/23/24        | Afriline Civils Pty Ltd      | Rehabilitation Of Roads & Various Stormwater Infrastructure in Swellendam & Barrydale                           | R9 210 925,00           | 3 months             | 1             |
| SMT40/23/24        | Adenco Construction (Pty)Ltd | Supply, Installation and Commissioning of Two High mast Solar Panel Lights                                      | R1 030 160,16           | 1 month              | 1             |
| SCMD050            | Sibakulu Trading (Pty) Ltd   | Provision of Security Services for the period ending 30 June 2024 or until the new tender process is finalised. | R696 528,36             | 3 months             | 1             |
| SCMD051            | Mubesko Africa (Pty) Ltd     | Assistance with VAT Issue- Library Grant                                                                        | R114 065,63             | 1 month              | 1             |

Note: Contract amounts up to R50 million the 80/20 preference points applied.  
Contracts amounts above R50 million the 90/10 preference points applied.

## 6. SCM DEVIATIONS

- 6.1 Section 36(2) of the Supply Chain Management Regulation prescribes the following regarding deviation from and ratification of minor breaches of the procurement process:

"The accounting officer must record the reasons for any deviation in terms of sub-delegation (1)(a) and (b) and report them to the next meeting of the council"

- 6.2 The number of deviations approved during May 2024 is indicated in the table below:

| Nr | SCM Regulation                                                                                               | Nr | Amount   |
|----|--------------------------------------------------------------------------------------------------------------|----|----------|
| 1. | SCM Regulation 16(c) & 17(c) where three (3) quotations could not be obtained;                               | 9  | R89 478  |
| 2. | SCM Regulation 36(1)(a)(i) dispensing of the official procurement process in the case of an emergency;       | 1  | R696 528 |
| 3. | SCM Regulation 36(1)(a)(ii) where goods or services are available from a sole supplier;                      | 1  | R5 746   |
| 4. | SCM Regulation 36(1)(a)(iii) applies to the acquisition of special works of art or historical objects;       | -  | -        |
| 5. | SCM Regulation 36(1)(a)(iv) acquisition of animals for zoos;                                                 | -  | -        |
| 6. | SCM Regulation 36(1)(a)(v) in exceptional cases where it is impractical or impossible to follow the process; | 3  | R132 070 |
| 7. | SCM Regulation 36(1)(b) is applicable where the accounts officer can verify minor breaches;                  | -  | -        |

6.3 The reasons for the deviations above are as follows:

6.3.1 Verbal and formal quotations, section 16(c) and 17(c) of the SCM regulation:

| Date Requested | Supplier                        | Quotation Details                                                                                                                                                                                                                                                                                                                           | Amount     | Approved Date | Directorate             | Reasons                                                                    |
|----------------|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------|-------------------------|----------------------------------------------------------------------------|
| 29-Apr-24      | Sentraal-Suid Koöperasie Beperk | 2x Slot Union 3L Volledig. 6x Slot union 2L volledig. 2x veiligheidhek laudon 302                                                                                                                                                                                                                                                           | R 3 005,76 | 06-May-24     | Infrastructure Services | Three potential bidders were invited however only two quotes was received  |
| 30-Apr-24      | Drosdy Oudhede                  | 3x Stelle deure. 2x sleutelbord laaie Maak toonbank Blad Wyer. 2x Rame voor op toonbank. 2x Hekkies agter toonbank. 20x Knoppie. Vervoer                                                                                                                                                                                                    | R 9 742,00 | 07-May-24     | Community Service       | Three potential bidders were invited however only two quotes was received  |
| 09-May-24      | Nolada 8                        | 30x Watermeter 15mm with pastic C Wz. 1x Watermeter 40mm with bross C M10                                                                                                                                                                                                                                                                   | R13 328,50 | 10-May-24     | Finance                 | Three potential bidders were invited however only two quotes was received  |
| 16-May-24      | AgriMak                         | 200x Cement block 190mm B518, 3x Paint floss enamel 5L heritage green CP5, 10x Tate barrier red and white 75mmx500 CT7, 30x Bolt and nut 16mmx75mm Galvanised WW38, 30x Bolt and Nuts 16mmx65mm Galvanised WW38, 30x Nut galvanised WW43, 30x Washer 16mm galvanised WW39, 20x Rake combination PHI, 250x Cable tie nylon 535mmx13,2mm E516 | R16 048,30 | 16-May-24     | Finance                 | Three potential bidders were invited however only two quotes were received |

|           |                                     |                                                                                                                                |             |           |                         |                                                                                                                                                                                                                                  |
|-----------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------|-----------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22-Feb-24 | Swellendam Grassnyers               | Repair and Maintenance of Small Plant Equipment                                                                                | Rates Based | 07-May-24 | Community Service       | A formal quotation process was followed and the bid was advertised. Three potential bidders were invited to quote. Furthermore, the bid was also distributed to Six potential bidders. However, only one quotation was received. |
| 16-May-24 | Forms Media Independent             | 50x Verlofboeke                                                                                                                | R5 825,90   | 17-May-24 | HR                      | Three potential bidders were invited however only two quotes were received                                                                                                                                                       |
| 21-May-24 | Swellendam SuperSpar                | 200x Ninkas22g, 200x Lollipop wrapper, 200x Apple, 200x Naartjie, 200x Spar 100% Juice box 200ml, 200x Strawberry fizzer 11,6g | R4 338,00   | 22-May-24 | Community Service       | Three potential bidders were invited however only one quote was received                                                                                                                                                         |
| 30-May-24 | Flo Specialized Production Solution | 3x Ladder F/Glass FG216 48m                                                                                                    | R29 200,00  | 31-May-24 | Infrastructure Services | Three potential bidders were invited however only two quotes were received                                                                                                                                                       |
| 23-May-24 | Turfmaster Bellville                | 1x Chain saw (9670623-15)61                                                                                                    | R7 990,00   | 04-Jun-24 | Community Service       | Three potential bidders were invited however only two quotes was received                                                                                                                                                        |

6.3.2 In exceptional cases where it is impractical or impossible to follow the official procurement process, section 36

| Date      | Supplier                    | Details                                                 | Amount     | Dir | Dept    | Reason                                                                                                                                                                                                                                                                                                          | Type                                    |
|-----------|-----------------------------|---------------------------------------------------------|------------|-----|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 06-May-24 | IXIA Environmental Services | PSHB Information Seminar level 1 training of staff (x7) | R10 472,38 | COM | REFUSE  | The urgent need has occurred for emergency training to be conducted as per instruction by the MM.                                                                                                                                                                                                               | 36(1)(a)(v) - Impractical or Impossible |
| 06-May-24 | Juta & Company (Pty) Ltd    | Supply & Delivery of Road Traffic Legislation MV books  | R5 746,35  | COM | TRAFFIC | Juta & Company (Pty) Ltd publishes and produces legal reference and regulatory material. The company warrants that it is the owner and authorised distributor of the intellectual property. Juta & Company (Pty) Ltd holds the copywrite and is the sole publisher of the Road Traffic Legislation mail volumes | 36(1)(a)(ii) - Single provider          |

|           |                                     |                                                                                                                 |             |      |         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                         |
|-----------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------|------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 09-May-24 | Sibankulu Trading (Pty) Ltd         | Provision of Security Services for the period ending 30 June 2024 or until the new tender process is finalised. | R696 528,36 | FIN  | SCM     | Due to current situation whereby the current/previous service provider (Bredasdorp Armed Response) cannot fulfil its obligations in terms of the agreement SMT50/21/22, the municipality has no other choice as to deviate from the normal procurement processes, as this is an essential service for the Municipality. Quotations were sourced from Sibakulu Trading (Pty) Ltd, Secunet Security, Fidelity Security and G-force Swellendam. Only 2 offers were received, namely from Sibakulu Trading (Pty) Ltd and Secunet Security. Currently the municipality buildings, infrastructure and equipment in the Swellendam Town are unguarded and are at risk of theft and vandalism. Access control is also not being implemented which poses a risk to municipal staff | 36(1)(a)(i) - Emergency                 |
| 14-May-24 | Firewire System Solutions (Pty) Ltd | The facilitation of maintenance and service of Swellendam Municipality Fire Extinguisher Equipment              | R7 531,82   | CORP | HR      | A service provider was already appointed for the facilitation of the maintenance and service of fire extinguishing equipment. Impractical as the bidder is contracted to do the service and all these extra works were unforeseen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 36(1)(a)(v) - Impractical or Impossible |
| 22-May-24 | Mubeko Africa (Pty) Ltd             | Assistance with VAT Issue- Library Grant                                                                        | R114 065,63 | FIN  | FINANCE | The work done by Mubeko for other municipalities will be identical to the environment, applicably and circumstances as per the detailed audit findings for these municipalities, inclusive of Swellendam. Furthermore, the investigation and application of legislation related to this matter, as well as interaction with South African Receiver of Revenue, in person or otherwise, efficiency in terms of appointment. Before-mentioned will be beneficial for Swellendam Municipality where combining expertise and effort on a transversal matter, will be more cost-effective regarding investigation and work done, and ensuring that the municipality aligns with other municipalities regarding an outcome on                                                   | 36(1)(a)(v) - Impractical or Impossible |

|  |  |  |                   |  |  |                                                                                                                                                                                                                                 |  |
|--|--|--|-------------------|--|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  |  |  |                   |  |  | this transversal matter. It is thus recommended that Mubesko Africa (Pty) Ltd be appointed based on the above-mentioned motivation of an exceptional case were impractical to procure the services from other service provider. |  |
|  |  |  | <b>834 344,54</b> |  |  |                                                                                                                                                                                                                                 |  |

6.4 The below table contains details of awards made to close family members of employees who are in the services of the state, section 45 of the SCM regulation for any award above R2000.

| Nr           | Supplier                                 | Family member     | Relationship | Institution                               | Amount          |
|--------------|------------------------------------------|-------------------|--------------|-------------------------------------------|-----------------|
| 1.           | AgriTech CC T/A Autozone                 | L. Baransky       | Wife         | Swellendam Mun                            | R6 361          |
| 2.           | Bazil Koopman                            | B. Koopman        | Son          | Dept of Education                         | -               |
| 3.           | Desmond Prins                            | J. Francis        | Daughter     | Dept of Health                            | -               |
| 4.           | Durcharme Consulting                     | L.Mbakeni         | Wife         | Dept of Rural Development and Land Reform | -               |
| 5.           | Gert Coetzee                             | L. Coetzee        | Wife         | Swellendam Mun                            | -               |
| 6.           | Hein's Auto Electrical                   | J. de Jager       | Brother      | Swellendam Mun                            | -               |
| 7.           | Hermanus Jacobus Swart                   | F. Swart          | Brother      | Swellendam Mun                            | -               |
| 8.           | Jarsiem Carelse                          | W. Carelse        | Son          | Swellendam Mun                            | -               |
| 9.           | Jacobus Cornelius Kouter                 | J. Kouter         | Brother      | Swellendam Mun                            | -               |
| 10.          | Jonathan Oktober                         | M Oktober         | Wife         | Swellendam Mun                            | -               |
| 11.          | Kemanzi (Pty) Ltd                        | J. du Toit        | Wife         | Dept of Education                         | R113 165        |
| 12.          | Khoisan Cave Holdings (Pty) Ltd          | G. Jansen         | Son          | Swellendam Mun                            | -               |
| 13.          | LSL Enterprises                          | G. Lebazi         | Sister       | Swellendam Mun                            | -               |
| 14.          | Masakane Trading (Pty) Ltd               | Q. Martin         | Husband      | SAPS                                      | -               |
| 15.          | Matthys Gilomee                          | Patricia Giliomee | Wife         | City of Cape Town                         | -               |
| 16.          | Paul Cupido                              | T. Cupido         | Wife         | Swellendam Mun                            | -               |
| 17.          | Phillip Crafford T/A Crafford Blinds     | J. Crafford       | Wife         | Swellendam Mun                            | -               |
| 18.          | RD Beukes                                | D. Beukes         | Mother       | Swellendam Mun                            | -               |
| 19.          | Swellendam Bestuurskool (Pty) Ltd        | R. Blauw          | Son          | Dept. of Education                        | -               |
| 20.          | AH Windvogel                             | R. Windvogel      | Mother       | Parliament                                | -               |
| 21.          | Red Ant Security and Relocation Services | N. Lesiela        | Wife         | Mogale City Mun                           | -               |
| <b>Total</b> |                                          |                   |              |                                           | <b>R119 526</b> |



- 6.5 The below table contains details of any incidents of an inducement, rewards, gifts and favours made to the municipality, employee or any other role player, in terms of section 47 of the SCM regulation:

| Directorate                     | Report on Gifts |
|---------------------------------|-----------------|
| Office of the Municipal Manager | None            |
| Financial Services              | None            |
| Corporate Services              | None            |
| Infrastructure Services         | None            |
| Community Services              | None            |

- 6.6 The table below contains details of any tender other than the one recommended in the normal course of implementing the supply chain management policy was approved, section 114 of the SCM regulation:

| Directorate                     | Tender Recommended | Tender Awarded |
|---------------------------------|--------------------|----------------|
| Office of the Municipal Manager | None               | None           |
| Financial Services              | None               | None           |
| Corporate Services              | None               | None           |
| Infrastructure Services         | None               | None           |
| Community Services              | None               | None           |