

Council: 2025-01-31

A25 REPORT ON SUPPLY CHAIN POLICY IMPLEMENTATION FOR THE YEAR ENDING  
31 DECEMBER 2024

Report: Executive Mayor: 2025-01-17

1. PURPOSE

- 1.1. The purpose of the report is to inform Council of the Supply Chain Management policy implementation for the year ending 31 December 2024.

2. BACKGROUND

- 2.1. Lekwa Local Municipality Supply Chain Policy prescribed per clause 6 (2) that “the Accounting Officer must, within ten (10) business days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality”

3. DISCUSSION

3.1. Supply chain Management activities

- 3.1.1. For the quarter ended December 2024 , the municipality performed the SCM activities as summarized below:

OCTOBER 2024 – DECEMBER 2024 ( Annexure A AND B )

ORDERS UNDER R 30 000	84
VALUE OF ORDERS UNDER R 30 000	812 584,15
ORDERS BETWEEN R 30 000 AND R 199 999,99	50
VALUE OF ORDERS BETWEEN R 30 000 AND R 199 999,99	7 114 307,74
ORDERS ABOVE R 200 000,00	13
VALUE OF ORDERS ABOVE R 200 000,00	22 418 456,58
ORDER DELETED	2
VALUE OF DELETED ORDERS	104 918,97
TOTAL NUMBER OF ORDERS (ex deleted)	145
VALUE OF ORDERS (ex deleted)	30 240 429,50

3.2. Deviations from the SCM Policy for the Quarter ended December 2024

- 3.2.1. Paragraph 35 (2) of the Supply Chain Management policy stipulate that “*the Accounting Officer must record the reasons for any deviations in terms of sub-clauses (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements*”

- 3.2.2. Below is a list of all strip and quote repairs done to vehicles and equipment for the period 01 October 2024 to 31 December 2024

ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
43582	10/10/2024	Tractor Requisites	R 688,54	1 X 6PACK BRASS PADLOCKS 40MM	Agent
43583	2024/10/10	Tractor Requisites	R 1 811,94	3 X SQUARE TUBE 38X38X3X6M QUOTE QMI350	Agent
43584	2024/10/10	Tractor Requisites	R 1 839,93	1 X WRENCH GEDORE PIPE 225-350MM	Agent

43621	2024/10/22	ERMELO TRUCK & TRACTOR CENTRE	R1 874,50	COC FOR REFUSE TRUCK KFJ806MP	Agent
43594	2024/10/11	Tractor Requisites	R 2 200,00	1 X 18KG EP 90 MULTI PURPOSE GREASE QUOTE Q213	Agent
43597	2024/10/11	Tractor Requisites	R 2 900,00	SHOCKS FOR TOYOTA 2;0 VVTI FRONT AND REAR QUOTE Q212	Agent
43618	2024/10/21	Tractor Requisites	R 4 312,71	5 X FILTERS AS PER QUOTE Q150	Agent
43577	2024/09/30	Tractor Requisites	R 12 418,65	1 X H/BACK CHAIR BONDED LEATHER	Agent
43624	2024/10/24	Tractor Requisites	R 23 803,21	2 X FS 291 BRUHSCUTTER STHILL QUOTE QM1003	Agent
43595	2024/10/11	ERMELO TRUCK & TRACTOR CENTRE	R129 684,32	SERVICE AND REPAIR UD TRUCKJSX731MP EST 2636	Agent
43610	2024/10/17	ERMELO TRUCK & TRACTOR CENTRE	R167 685,54	REPAIR UD TRUCK KFJ847MP (BRAKE LINNINGS&FRONT DIFF EST 2640	Agent
43676	2024/11/20	Tractor Requisites	R 750,71	1 X HYDRALIC PIPE JSX708MP QUOTE Q327	Agent
43682	2024/11/20	Tractor Requisites	R 769,01	10 X KUDU BLADES SHORT QUOTE QM11244	Agent
43680	2024/11/20	Tractor Requisites	R 1 261,08	HYDRALIC HOSE JSX722MP QUOTE Q306	Agent
43687	2024/11/26	ERMELO TRUCK & TRACTOR CENTRE	R 80 301,75	SERVICE AND REPAIR UD TRUCK KRH627MP EST 2681	Agent
43674	2024/11/20	ERMELO TRUCK & TRACTOR CENTRE	R 91 794,48	SERVICE AND REPAIR UD TRUCK KMM253MP EST 2584	Agent
43683	2024/11/20	BELL EQUIPMENT SALES SOUTH AFR	R 20 193,05	SERVICE AND REPAIR BELL JCB JTT253MP DOC 3000172317	Agent
43642	2024/11/07	ERMELO TRUCK & TRACTOR CENTRE	R 129 684,32	SERVICE AND REPAIR UD TRUCK JSX731MP EST 2636	Agent
43703	2024/12/02	Tractor Requisites	R 1 200,14	40 X 24V DBL CONTACT GLOBE QUOTE Q372	Agent
43701	2024/12/02	Tractor Requisites	R 2 899,90	5 X MOWING HEAD AUTOCUT C26-2 QUOTE QMI1242	Agent
43702	2024/12/02	ERMELO TRUCK & TRACTOR CENTRE	R 13 124,49	4 X SHOCK ABSORBERS QOUTE 128621	Agent
<b>TOTAL</b>			<b>R 691 198.27</b>		

**3.3. AWARDS MADE THROUGH THE COMPETITIVE BIDDING PROCESS FOR THE QUARTER ENDING DECEMBER 2024**

<b>Project Number</b>	<b>Bidder</b>	<b>Project Description</b>	<b>Contract Duration</b>	<b>Amount Awarded</b>	<b>Contract start</b>	<b>Contract end</b>
DTS 02-2024-2025	Ubuntu Sonke Engineering JV Livhuwani Akwande trading (PTY) LTD	Appointment of Construction of 1.5 Hectare Thuthukani Cemetry Site in Lekwa Local Municipality	06 months	R9 164 488.58	01/11/2024	31/05/2025
DTS 03-2024-2025	Notha Africa Civils (PTY) LTD	Appointment of rehabilitation of 1KM road for VRY Street and related Stormwater in Ward 10 in Lekwa Local Municipality	04 months	R9 187 717.83	01/11/2024	28/02/2025
DTS 10/2023/2024	Bathabile Kasetie trading & projects (PTY) LTD	Appointment for provision, supply and delivery of plumbing pipes, fittings, tools and water meters for a period of 36 months	36 months	As per schedule rates	10/10/2024	09/10/2027
DTS 17/2023/2024	Nguni Consulting (PTY) LTD	Appointment of service provider for sourcing of funds at risk and implementation of integrates urban development: bulk infrastructure projects in Lekwa Local Municipality for a period of 36 months	36 months	14 %	10/10/2024	09/12/2027
DTS04-2024-2025	1.Auto Mania Trading (PTY) LTD 2.MMN Engineering and Project 3.Sgijimangebelo Trading Enterprise cc 4.Shalakho Trading and Projects	Appointment for a panel of service providers for service and repairs of the municipal Fleet for 36 months on an as need basis.	36 Months	On Quotation	02/01/2025	31/12/2027
BTO 03-2024-2025	1.Sennis Electrical 2.Msebenzi trading 3.XPERO trading 4.Dem – Same Technologies 5.Kwandza Logistics JV ABIA Business	Appointment for a panel of suppliers for the provision and supply of various electrical items to Lekwa Local	36 months	On Quotation	02/01/2025	31/12/2027

	6.Sondeza Development 7.Serenity General Suppliers 8.Rapid Civils and building Constr. 9.Sabby Solutions 10.F – Tech Services 11.Likusasa Lethu	Municipality for the period of 36 months				
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3.4. BBBEE PERFORMANCE ASSESSMENT (OCTOBER 2024 TO DECEMBER 2024)  
(ANNEXURE A AND B)

Local Suppliers	74
Rand value to local suppliers	R3 176 850,72
Percentage of local suppliers used	51.03%
Percentage of purchases to local suppliers	10.51%
Level 1 BBBEE suppliers	92
Rand value to level 1 suppliers	22 635 427,84
Percentage of level 1 suppliers used	63.45%
Percentage of purchases to lvl 1 suppliers	74,85%

3.5. LOGISTICS/STORES ( ANNEXURE C)

The quarterly stock take was conducted on **31/12/2024**.

	<b>2<sup>nd</sup> quarter</b>
STOCK ON HAND BEFORE STOCK TAKING	R 4 890 831,07
SURPLUS RECORDED	67,33
SHORTAGE	- R 163,56
NET SURPLUS/SHORTAGE	- R 96,23
STOCK AFTER ADJUSTMENT	R 4 890 734,84
% SURPLUS/SHORTAGE FOR QUARTER	0.00%
STOCK VALUE AFTER ADJUSTMENT FROM PREVIOUS QUARTER	R 3 975 342,32
INCREASE/(DECREASE) IN STOCK VALUE	R 915 392,52
% INCREASE/(DECREASE) IN STOCK FOR THE QUARTER	23%

3.6. OTHER MATTERS

- 3.6.1. No service provider was reported to National Treasury for restricted listing due misconduct in terms of the Supply Chain Regulations.

#### RECOMMENDATIONS BY THE EXECUTIVE MAYOR

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- (1) That the report of the Executive Mayor on the implementation of the Supply Chain Management Policy for the quarter ending December 2024, BE NOTED.
- (2) That the Procurement report for goods and services BE NOTED.
- (3) That the Deviation procurement report for goods and services from 01 October 2024 to 31 December 2024 BE NOTED.
- (4) That the stores stock BE NOTED as per the stock take.
- (5) That the Report BE PUBLISHED on the Lekwa Municipality's website as per SCM regulation 6(2).