

Council: 2024-10-31

A142 REPORT ON SUPPLY CHAIN POLICY IMPLEMENTATION FOR THE YEAR ENDING 30 SEPTEMBER 2024

Report: Executive Mayor: 2024-10-16

1. PURPOSE

1.1. The purpose of the report is to inform Council of the Supply Chain Management policy implementation for the year ending 30 September 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 September 2024, the municipality performed the SCM activities as summarized below:

**JULY 2024 – SEPTEMBER 2024 (Annexure A AND B )**

ORDERS UNDER R 30 000	84
VALUE OF ORDERS UNDER R 30 000	923 252.00
ORDERS BETWEEN R 30 000 AND R 199 999.99	55
VALUE OF ORDERS BETWEEN R 30 000 AND R 199 999.99	6 754 295.11
ORDERS ABOVE R 200 000.00	13
VALUE OF ORDERS ABOVE R 200 000.00	6 754 295.11
ORDER DELETED	3
VALUE OF DELETED ORDERS	225 634.34
TOTAL NUMBER OF ORDERS (ex deleted)	149
VALUE OF ORDERS (ex deleted)	20 805 017.33

**1.1. Deviations from the SCM Policy for the Quarter ended September 2024**

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*”

Below is a list of VIP protection security services and ALL strip and quote repairs done to vehicles and equipment for the period 01 July 2024 to 30 September 2024

ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
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<b>Deviation</b>	<b>24 -05-2024</b>	IZINHLOLI SECURITY SERVICES	R157 147.50	Appointment for month-to-month contract of accredited Speaker VIP Protection Security Service Provider to provide two – armed Speaker Bodyguards / driver with two handguns and one rifle firearm and back up vehicle to be used by these two Bodyguards/drivers as from 24 May 2024 for Honourable Speaker Cllr Majozi	It is impractical or impossible to follow the official procurement processes
<b>Deviation</b>	<b>01 -08-2024</b>	FBI VIP SECURITY	R111 550.00	Appointment for month-to-month contract of accredited Chief Whip VIP Protection Security Service Provider to provide two – armed Chief Whip Bodyguards / driver with two handguns and one rifle firearm as from 01 August 2024 for Honourable Chief Whip	It is impractical or impossible to follow the official procurement processes
43415	21/06/2024	ERMELO TRUCK & TRACTOR CENTRE	101,166.67	SERVICE AND REPAIR UD TRUCK KFJ847MP JOB 116186	AGENT
43541	2024/09/05	Tractor Requisites	17 077,50	1 X BATTERY BOOSTER PACK 12V/24V QM1489	AGENT
43524	2024/08/29	Tractor Requisites	1 259,83	10 X ROUND BAR 12MM QUOTE 1314	AGENT
43491	2024/08/13	Tractor Requisites	1 999,28	50 X 100MM EEZYPILE REFILL QUOTE QMI111	AGENT
43508	2024/08/16	ERMELO TRUCK & TRACTOR CENTRE	133 623,30	SERVICE AND REPAIR UD TRUCK KFJ806MP ESTI 2544	AGENT
43455	2024/07/11	BELL EQUIPMENT SALES SOUTH AFR	15 677,77	SERVICE AND REPAIR BELL DUMP TRUCK DOC 3000162585	AGENT
43454	2024/07/11	BELL EQUIPMENT SALES SOUTH AFR	15 916,14	SERVICE AND REPAIR JCB DOC300167584	AGENT
43434	2024/07/10	Tractor Requisites	499,79	10 X HEMP FOR PLUMBERS 200GR QUOTE QM143952	AGENT
43481	2024/07/30	Tractor Requisites	1 598,04	4 X KUDU V-BELT LONG	AGENT
43427	2024/07/10	Tractor Requisites	1 724,14	SUPPLY OF HARDWARE AS PER QUOTE QMI43919	AGENT
43428	2024/07/10	Tractor Requisites	3 306,69	SUPPLY AND DELIVER MATERIAL AS PER QUOTE QMI43894	AGENT
43438	2024/07/10	ERMELO TRUCK & TRACTOR CENTRE	68 783,41	SERVICE AND REPAIR UD TRUCK DSB261MP EST 20240513000N	AGENT

43467	2024/07/17	ERMELO TRUCK & TRACTOR CENTRE	170 360,63	SERVICE AND REPAIR UD TRUCK JTT263MP JOB 116488	AGENT
<b>TOTAL</b>			<b>R801 690.69</b>		

**1.2. AWARDS MADE THROUGH THE COMPETITIVE BIDDING PROCESS FOR THE QUARTER ENDING SEPTEMBER 2024 (ANNEXURE B)**

Project Number	Bidder	Project Description	Contract Duration	Amount Awarded	Contract start	Contract end
DTS 12-2023-2024	Bidwin (PTY) LTD	Appointment of drilling of boreholes at Rural Areas at Wards (9,12 &13) in Lakwa Local Municipality	04 months	R806 794.00	2024/09/01	2025/01/31
DTS 13-2023-2024	Lindulwazi Project (PTY) LTD	Appointment of desludging of VIP Toilets in Rural Wards 9,12 & 13 in Lekwa Local Municipality	04 months	R483 000.00	01/09/2024	31/01/2025
DTS 15/2023/2024	Izinjomane Security (PTY) LTD	Appointment of construction of 6KM, 11KV line from Substation A to Rooikoppen	12 months	R12 543 909.10	15/07/2024	14/07/2027
DTS 16/2023/2024	Kenfore Engineering & Project management (PTY) LTD	Appointment of 11KV switching station for Rooikoppen in Lekwa Local Municipality	22 months	R17 642 773.27	01/09/2024	30/06/2026
DTS14-2023-2024	F – Tech Services (PTY) LTD	Appointment of installation of 26 high mast lighting in different wards of Lekwa Local Municipality (Wards 9,12,13 and 14	22 Months	R15 318 149.28	01/09/2024	30/06/2026

CS 05-2023-2024	Burgain Uniforms (PTY) LTD	Appointment for provision and supply of various personal protective equipment to Lekwa Local Municipality	36 months	As per schedule rates	15/07/2024	14/07/2027
CSS01-2023-2024	Izinjomane Security (PTY) LTD	Appointment of service provider to render security service at access points, installation of alarm system and patrol premises for Lekwa Local Municipality	36 months	R128 843 780.33	01/10/2024	30/09/2027
DTS11-2023-2024	Mudoita Investment (PTY) LTD	Appointment of installation of toilets at Wards(9,12 & 13) in Lekwa Local Municipality	4 Months	R1 779 975.75	20/09/2024	19/02/2025

#### 3.4. BBEE PERFORMANCE ASSESSMENT (JULY 2024 TO SEPTEMBER 2024)

Local Suppliers	56
Rand value to local suppliers	R2 753 805.86
Percentage of local suppliers used	37.58%
Percentage of purchases to local suppliers	13.24%
Level 1 BBEE suppliers	91
Rand value to level 1 suppliers	19 656 169.38
Percentage of level 1 suppliers used	61.07%
Percentage of purchases to lvl 1 suppliers	94,48%

### 3.5. LOGISTICS/STORES (ANNEXURE C)

The quarterly stock take was conducted on 30/09/2024.

	1 <sup>st</sup> quarter
STOCK ON HAND BEFORE STOCK TAKING	R 3 974 709.62
SURPLUS RECORDED	702.18
SHORTAGE	- R 69.48
NET SURPLUS/SHORTAGE	R 632.70
STOCK AFTER ADJUSTMENT	R 3 975 342,32
% SURPLUS/SHORTAGE FOR QUARTER	0.02%
STOCK VALUE AFTER ADJUSTMENT FROM PREVIOUS QUARTER	R 4,603 615,49
INCREASE/(DECREASE) IN STOCK VALUE	- R 628 273.17
% INCREASE/(DECREASE) IN STOCK FOR THE QUARTER	-14%

### 3.6. OTHER MATTERS

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

#### RECOMMENDATIONS BY THE EXECUTIVE MAYOR

- (1) That the report of the Executive Mayor regarding the implementation of the Supply Chain Management Policy for the quarter ending September 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 July 2024 to 30 September 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).