

Council: 2024-04-29

A29 REPORT ON SUPPLY CHAIN POLICY IMPLEMENTATION FOR THE YEAR ENDING 31 MARCH 2024

Report: Executive Mayor: 2024-04-12

1. PURPOSE

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

2. BACKGROUND

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

For the quarter ended March 2024 , the municipality performed the SCM activities as summarized below:

JANUARY 2024 – MARCH 2024 (Annexure A AND B)

Orders under r 30 000	70
Value of orders under r 30 000	632 781.46
Orders between r 30 000 and r 199 999.99	40
Value of orders between r 30 000 and r 199 999.99	4 556 711.86
Orders above r 200 000.00	18
Value of orders above r 200 000.00	13 382 342.25
Order deleted	6
Value of deleted orders	307 477.86
TOTAL NUMBER OF ORDERS (ex deleted)	122
VALUE OF ORDERS (ex deleted)	18 264 357.70

3.2. Deviations from the SCM Policy for the Quarter ended March 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*”

There were NO deviation made during the third quarter ending March 2024

3.3. AWARDS MADE THROUGH THE COMPETITIVE BIDDING PROCESS FOR THE QUARTER ENDING MARCH 2024 (ANNEXTURE B)

Project Number	Bidder	Project Description	Contract Duration	Amount Awarded	Contract start	Contract end
DTS 04-2023-2024 (Panel)	MPPM Consulting Engineering	Appointment of a contractor for planning for closure and rehabilitation of Morgenzon landfill site in for Lekwa Local Municipality	12 months	R913 624.80	2024/02/13	2025-02-12
BTO 04-2023-24	Sondeza Development and investment	Appointment for the implementation of credit control measure (cut off and reconnection of services) for the period of 36 months	36 months	As per quoted schedule rates	01/03/2024	28/02/2027
DTS 07/2023/2024	TJM Greentech	Appointment for sourcing of funds and implementation of energy efficiency and renewable energy projects	36 months		15/03/2024	14/03/2027
DTS 08/2023/2024	F-TECH SERVICES	Appointment for the replacement, refurbishment and maintenance of existing windmills, electrical pumps solar panels	36 months	As per quoted schedule rates	15/03/2024	14/03/2027
DTS05-2023-2024	2MC Consulting (PTY) LTD	Appointment of contractor for construction of Gabion Mattress for Lekwa Local Municipality	3 months	R1 048 110.00	2024/02/07	2024/05/06

3.4. BBEE PERFORMANCE ASSESSMENT (JANUARY 2024 TO MARCH 2024)

Local Suppliers	50
-----------------	----

Rand value to local suppliers	R946 788.89
Percentage of local suppliers used	40%
Percentage of purchases to local suppliers	8%
Level 1 BBBEE suppliers	89
Rand value to level 1 suppliers	R17 170 106.06
Percentage of level 1 suppliers used	74%
Percentage of purchases to lvl 1 suppliers	95%

3.5. LOGISTICS/STORES (ANNEXTURE C)

The quarterly stock take was conducted on 31/03/2024.

	3rd quarter
Stock on hand BEFORE STOCK TAKING	4 301 860,69
Surplus recorded	-1 443,38
Shortage	2 601,10
NET SURPLUS/SHORTAGE	1 157,72
Stock after Adjustment	4 300 702,96
% SURPLUS/SHORTAGE FOR QUARTER	-0,03%
STOCK VALUE AFTER ADJUSTMENT FROM PREVIOUS QUARTER	3 129 158,43
INCREASE/(DECREASE) IN STOCK VALUE	1 171 544,53
% INCREASE/(DECREASE) IN STOCK FOR THE QUARTER	37%

3.6. OTHER MATTERS

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

RECOMMENDATION 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 March 2024, BE NOTED.
- (2) That the Procurement report for goods and services BE NOTED.
- (3) That the Deviation procurement report for goods and services 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)