

A1 REPORT ON SUPPLY CHAIN POLICY IMPLEMENTATION FOR THE YEAR ENDING 31 DECEMBER 2025

Report of the Executive Mayor: 2026-01-20

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to inform Council of the Supply Chain Management policy implementation for the year ending 31 December 2025.

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

For the quarter ended December 2025, the municipality performed the SCM activities as summarized below:

OCTOBER 2025 – DECEMBER 2025 (Annexure A AND B)

ORDERS UNDER R 30 000	61
VALUE OF ORDERS UNDER R 30 000	R743 006
ORDERS BETWEEN R 30 000 AND R 199 999.99	54
VALUE OF ORDERS BETWEEN R 30 000 AND R 199 999.99	R9 484 649
ORDERS ABOVE R 200 000.00	16
VALUE OF ORDERS ABOVE R 200 000.00	R18 768 349
ORDER DELETED	1
VALUE OF DELETED ORDERS	R3 680,00
TOTAL NUMBER OF ORDERS (ex deleted)	130
VALUE OF ORDERS (ex deleted)	R28 992 325

3.2. EXTENDED CONTRACTS

BIDDER	DESCRIPTION OF GOODS /SERVICES	EXTENSION PERIOD	END DATE
N/A	N/A	N/A	N/A

3.3. Deviations from the SCM Policy for the Quarter ended December 2025

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*”

ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
44279	2025/12/03	Truvelo Trading	R6 154.80	Calibration of prolaser speed machine	Agent

3.4. AWARDS MADE THROUGH THE COMPETITIVE BIDDING PROCESS FOR THE QUARTER ENDING DECEMBER 2025 (ANNEXURE B)

Project Number	Bidder	Project Description	Contract Duration	Amount Awarded	Contract start	Contract end
DTS 04-2025-26	Vuka Sbeko (PTY) LTD	Appointment for installation of VIP Toilets at ward 12 in Lekwa Local Municipality	6 months	R2 759 293.90	26-11-2025	25-05-2026
DTS 03-2025-2026	Mhlongolos (PTY) LTD	Appointment for installation of VIP Toilets at ward 09 in Lekwa Local Municipality	6 months	R2 293 938.35	26-11-2025	25-05-2026
DTS05-2025-2026	Green Point Engineering (PTY) LTD	Appointment for installation of VIP Toilets at ward 13 in Lekwa Local Municipality	6 months	R2 818 293.50	26-11-2025	25-05-2026
DTS07/2025/2026	Isoyi Holdings (PTY) LTD	Appointment for Rehabilitation of 1.24KM Hlongwane Drive	12 months	R13 886 364.24	12/11/2025	11/11/2026
BTO 05/2024/2025	SIHLE SIVUNO (PTY) LTD	Appointment of a filling Station for the Supply of fuel (Diesel and Petrol) to refill generators, yellow fleet diesel bowser and grass cutters for a period of 36 months	36 months	As per schedule rates	12/11/2025	11/11/2028
CS 01-2025-2026	PHSM JV IJAHA ISISU (PTY) LTD	Appointment for service provider with a proven track record in the investigation of UIFW in the Municipal Environment to conduct an investigation from 2017/18 to 2024/25 Financial years	6 Months	R2 500 000.00	17/11/2025	16 /05/2026
DTS 02-2025-2026	HMI Electrical CC	Appointment for a service provider for maintenance & repairs, testing and inspection of electrical equipment on Lekwa Local Municipality Electrical Network for a period of 36 months on an as and when required basis	36 months	As per schedules rates	01/12/2025	30/11/2028

3.5 BBBEE PERFORMANCE ASSESSMENT (OCTOBER 2025 TO DECEMBER 2025)

Local Suppliers	64
Rand value to local suppliers	R6 485 000,67
Percentage of local suppliers used	49,23%
Percentage of purchases to local suppliers	22,37%
Level 1 BBBEE suppliers	127
Rand value to level 1 suppliers	R28 512 897,10
Percentage of level 1 suppliers used	97,69%
Percentage of purchases to lvl 1 suppliers	98,35%

3.6 LOGISTICS/STORES (ANNEXURE C)

The quarterly stock take was conducted on 31/12/2025.

	1 st quarter
STOCK ON HAND BEFORE STOCK TAKING	R 7 960 502,34
SURPLUS RECORDED	R400,00
SHORTAGE	R395,20
NET SURPLUS/SHORTAGE	4,80
STOCK AFTER ADJUSTMENT	R 7 961 297,54
% SURPLUS/SHORTAGE FOR QUARTER	0,00%
STOCK VALUE AFTER ADJUSTMENT FROM PREVIOUS QUARTER	R 7 155 189,66
INCREASE/(DECREASE) IN STOCK VALUE	-R 806 107
% INCREASE/(DECREASE) IN STOCK FOR THE QUARTER	-11%

3.7 OTHER MATTERS

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

- (1) That the report of the Executive Mayor on the implementation of the Supply Chain Management Policy for the quarter ending December 2025, BE NOTED.
- (2) That the procurement report for goods and services BE NOTED.
- (3) That the extended contract reports for goods and services BE NOTED.
- (4) That the deviation procurement report for goods and services from 01 October 2025 to 30 December 2025 BE NOTED.
- (5) That the stores stock BE NOTED as per the stock take.
- (6) That the report BE PUBLISHED on the Lekwa Municipality's website as per SCM regulation 6(2).