

Council: 2026-04-30

A44 REPORT ON SUPPLY CHAIN POLICY IMPLEMENTATION FOR THE YEAR ENDING 31 MARCH 2026

Report: Executive Mayor: 2026-04-16

1. PURPOSE OF THE REPORT

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

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 in March 2026, the municipality performed the SCM activities as summarized below:

JANUARY 2026 – MARCH 2025 (Annexure A)

ORDERS UNDER R 30 000	46
VALUE OF ORDERS UNDER R 30 000	580 414,41
ORDERS BETWEEN R 30 000 AND R 199 999.99	58
VALUE OF ORDERS BETWEEN R 30 000 AND R 199 999.99	8 737 395,53
ORDERS ABOVE R 200 000.00	15
VALUE OF ORDERS ABOVE R 200 000.00	25 969 112,16
ORDER DELETED	3
VALUE OF DELETED ORDERS	8 874 920,62
TOTAL NUMBER OF ORDERS (ex deleted)	116
VALUE OF ORDERS (ex deleted)	26 412 001,48

3.2. EXTENDED CONTRACTS

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

3.3. Deviations from the SCM Policy for the Quarter ended March 2026

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
044404	27/02/2026	Okuholela Mining Supplies	R3 423 023.30	Supply, installation and commissioning of 2 submersible Pumps	Exceptional case where it is impractical or impossible to follow the official procurement processes
044421	2026/03/05	TRUVELO AFRICA ELECTRONICS DIV	R28 175,00	Training traffic officers on how to use pro laser 4 speed measuring machine	The goods or services are produced or available from a single provider only

3.4. AWARDS MADE THROUGH THE COMPETITIVE BIDDING PROCESS FOR THE QUARTER ENDING MARCH 2026 (ANNEXURE B)

Project Number	Bidder	Project Description	Contract Duration	Amount Awarded	Contract start	Contract end
N/A	N/A	N/A	N/A	N/A	N/A	N/A

3.5 BBBEE PERFORMANCE ASSESSMENT (JANUARY 2026 TO MARCH 2026)

Local Suppliers	57
Rand value to local suppliers	R5 654 997,56
Percentage of local suppliers used	49,14%
Percentage of purchases to local suppliers	21,41%
Level 1 BBBEE suppliers	113
Rand value to level 1 suppliers	22 090 598,18
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 31/03/2026.

	3 rd quarter
STOCK ON HAND BEFORE STOCK TAKING	R 8 775 502,41
SURPLUS RECORDED	R 26 530,52
SHORTAGE	R22 142,48
NET SURPLUS/SHORTAGE	R4 388,04
STOCK AFTER ADJUSTMENT	R 8 779 770,45
% SURPLUS/SHORTAGE FOR QUARTER	0,05%
STOCK VALUE AFTER ADJUSTMENT FROM PREVIOUS QUARTER	R 7 960 507,14
INCREASE/(DECREASE) IN STOCK VALUE	R 819 263,31
% INCREASE/(DECREASE) IN STOCK FOR THE QUARTER	10%

3.7 OTHER MATTERS

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

<u>RECOMMENDATIONS</u>	<u>BY</u>	<u>THE</u>	<u>EXECUTIVE</u>	<u>MAYOR</u>
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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 March 2026, 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 January 2026 to 31 March 2026 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).