Council: 2026-10-29

A118 REPORT ON SUPPLY CHAIN POLICY IMPLEMENTATION FOR THE QUARTER ENDING 30 SEPTEMBER 2026

Report: Executive Mayor: 2026-10-16

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 30 September 2026.

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 September 2026, the municipality performed the SCM activities as summarized below:

JULY 2026 – SEPTEMBER 2026 (Annexure A)

ORDERS UNDER R 30 000	79
VALUE OF ORDERS UNDER R 30 000	886 450,22
ORDERS BETWEEN R 30 000 AND R 199 999.99	80
VALUE OF ORDERS BETWEEN R 30 000 AND R 199 999.99	10 617 683,10
ORDERS ABOVE R 200 000.00	20
VALUE OF ORDERS ABOVE R 200 000.00	24 324 873,03
ORDER DELETED	20
VALUE OF DELETED ORDERS	840 848,76
TOTAL NUMBER OF ORDERS (ex deleted)	173
VALUE OF ORDERS (ex deleted)	34 988 157,59

3.2. EXTENDED CONTRACTS

BIDDER	DESCRIPTION OF GOODS/SERVICES/PROJECTS	EXTENSION PERIOD	END DATE
BTO 11-2022-2023	VAT RECOVERY SERVICES	3 Months	31 December 2026

3.3. Deviations from the SCM Policy for the Quarter ended September 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
44651	26/08/2026	Government Printing Works	R19 204,14	AAARTO Legislation Books	The goods produced and available from a single provider only – Government printing Works is a sole authorized publisher of Legislation in South Africa per Government printing Works Act.

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

Project Number	Bidder	Project Description	Contract Duration	Amount Awarded	Contract start	Contract end
CSS02-2025-2026	Obriantsepo (PTY) LTD	Appointment of a professional services provider for the Operation and maintenance of the Standerton Landfill Site for the period of 36 months in Lekwa Local Municipality	36 Months	Rates	01-10-2026	30-09-2029
BTO 04 2025 – 2026	Morounkem Trading & Projects (PTY) LTD	PRINTING AND DISTRIBUTION OF MUNICIPAL CONSUMER ACCOUNT STATEMENTS FOR A PERIOD OF 36 MONTHS	36 Months	Rates	01-09-2026	31-08-2029
CS 02-2025-2026	Occuprof (PTY) LTD	APPOINTMENT OF A PANEL OF SERVICE PROVIDER FOR THE MEDICAL SURVEILLANCE AS AND WHEN THE NEED ARISES FOR THE PERIOD OF 36 MONTHS	36 Months	On quotations	27-07-2026	26-07-2029
DTS 06-2025-2026	1.2MC CONSULTING ENGINEERS PTY LTD 2. AFRICANDO CONSULTING ENGINEERS 3. KOMARU CONSULTING ENGINEERS 4. ECA CONSULTING 5. LIBEKO PTY LTD 6. T2-TEN ENGINEERS PTY LTD 7. SKY HIGH CONSULTING ENGINEERS 8. LWATI ENGINEERS PTY LTD	APPOINTMENT OF A PANEL OF CONSULTANTS FOR PROFESSIONAL ENGINEERING RELATED SERVICES FOR THE PERIOND OF THREE YEARS IN LEKWA LOCAL MUNICIPALITY	36 Months	On quotations	01-09-2026	31-08-2029

	9. VUXAKA GROUP PTY LTD 10. ENGINEERING ACES PTY LTD 11. ADERT PRO 12. TKQ CONSULTING ENGINEERS 13. LILIBARA PROJECTS PTY LTD 14. TMS CONSULTING ENGINEERS AND PROJECT MANAGEMENT 15. KTN CONSULTING ENGINEERS & PROJECT MANAGERS 16. ALLURE EXPERIENCE JV TMA CONSULTING ENGINEERS 17. NGUNI CONSULTING PTY LTD 18. IGADA PROJECTS PTY LTD 19. ZONK ENGINEERING CONSULTING 20. NGB CONSULTING PTY LTD 21. ADVANT EDGE PROJECT SOLUTION 22. LPS CONSULTING 23. CV CHABAE AND ASSOCIATING 24. NEVHUTALU CONSULTING ENGINEERS 25. NSK ELECTRICAL AND CONSTRUCTION MANAGERS 26. HLAYELENI CONSULTING ENGINEERS 27. SIYALU CONSULTING 28. MTEMA MASHAO CONSULTING ENGINEERS 29. NKP CONSULTING 30. AES CONSULTING PTY LTD 31. ABAZIYO CONSULTING ENGINEERS 32. RIGHT ANGLE CONSULTING AND PROJECTS 33. NEM ORANGE CONSULTING 34. LOATO ENGINEERS 35. KUKHO CONSULTING ENGINEERS 36. KABE CONSULTING ENGINEERS 37. TFC ENGINEERS PTY LTD 38. CABE CONSULTING					

	39. NEMARANGO CONSULTING ENGINEERS 40. KZM CONSULTING PTY LTD					

3.5 BBBEE PERFORMANCE ASSESSMENT (JULY 2026 TO SEPTEMBER 2026)

Local Suppliers	69
Rand value to local suppliers	R5 564 060,05
Percentage of local suppliers used	39,88%
Percentage of purchases to local suppliers	15,90%
Level 1 BBBEE suppliers	168
Rand value to level 1 suppliers	R34 545 457,59
Percentage of level 1 suppliers used	97,11%
Percentage of purchases to lvl 1 suppliers	98,73%

3.6 LOGISTICS/STORES (ANNEXURE C)

The quarterly stock take was conducted on 30/09/2026.

	1st quarter
STOCK ON HAND BEFORE STOCK TAKING	8 719 579,75
SURPLUS RECORDED	14 819,80
SHORTAGE	1 465,69
NET SURPLUS/SHORTAGE	13 354,11
STOCK AFTER ADJUSTMENT	8 732 933,86
% SURPLUS/SHORTAGE FOR QUARTER	0,15%
STOCK VALUE AFTER ADJUSTMENT FROM PREVIOUS QUARTER	8 944 006,68
INCREASE/(DECREASE) IN STOCK VALUE	- 211 072,82
% INCREASE/(DECREASE) IN STOCK FOR THE QUARTER	-2%

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 regarding on the implementation of the Supply Chain Management Policy for the quarter ending September 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 July 2026 to 30 September 2026 BE NOTED.

(4) That the stores stock as per the stock take BE NOTED.

(5) That the report BE PUBLISHED on the Lekwa Municipality's website as per SCM regulation 6(2).