

The Chairperson and Members of  
Finance Committee

Notice is hereby given that there will be an **SPECIAL Finance and Budget Committee** meeting will be held as follows:

**21 JULY 2021  
AT 11:00**

Zoom conducted to discuss the items on the agenda.

  
PP  
**CLLR ML MOFOKENG**  
**CHAIRPERSON**  
21 JULY 2021

***A G E N D A***

1. Opening and welcome.
2. Application for leave of absence
3. Consideration of the attached reports.

## INDEX

<u>NO.</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
1.	2020/21 INDIGENTS WRITE OFFS/ IRRECOVERABLE DEBT	1
2.	FOURTH QUARTER PERFORMANCE REPORT (MUNICIPAL FINANCE MANAGEMENT ACT, SECTION 52(d)	7

## SECTION 2: SUPPLY CHAIN MANAGEMENT REPORT

### 2.1. PURPOSE

The purpose of this report is to submit to Council the Supply Chain Management implementation report for all bids awarded through the NLM SCM Policy and SCM Regulation prescriptive for the periods 30 June 2021.

### 2.2. BACKGROUND

The supply chain management of NLM section 22.1 prescribe that Council of Ngwathe Local Municipality shall maintain an oversight over the implementation of supply chain management policy to ensure that it is within the ambit of the applicable legislation.

In order for the Council to exercise its oversight role over supply chain management effectively, the Accounting Officer shall:

- a) within 30 days of the end of financial year or whenever there are serious and material problems in the implementation of the supply chain management policy, submit reports on the implementation of the supply chain management to the Council of the municipality.
- b) within 10 days after the end of each quarter submit a report implementation of supply chain management policy to the mayor, who shall also table such report to council.

### 2.3. REPORTING

This report is prepared in line with the Supply Chain Management Policy Framework, Section 22.1 and its Guidelines. The report covers the following reportable areas of performance as outlined below:

- 2.3.1. Formal written price quotations above R 30,000 up to R 200,000 [Sec. 18(a) of the Municipal Supply Chain Management Regulations]
- 2.3.2. Competitive bidding process for procurements above a transaction value of R200,000, inclusive of VAT. [Sec. 19(a) of the Municipal Supply Chain Management Regulations]
- 2.3.3 None compliance
- 2.3.4 Deviation process

### 2.3.1. FORMAL WRITTEN PRICE QUOTATIONS ABOVE R30,000 UP TO R200,000

Section 18(a) of the Supply Chain Management Regulation (GNR 868 of 30 May 2005) prescribe that all requirements in excess of R30,000 (VAT included) that are to be procured by means of formal written price quotations, must in addition to the requirement of regulation 17, be advertise for at least 7 days on website and notice board of the municipality.

The following awards were made in terms of the above legislative prescripts:

#### APRIL 2021

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
03(03/2021)	Supply and delivery of 3 ride on grass cutting	Icox Trading	R180 000.00
11/03/2021	Supply and delivery of illegal dumping notice boards	Ga Tlhone Holdings (Pty) Ltd	R96 105.00
		<b>TOTAL AWARDS</b>	<b>R276 105.00</b>

#### MAY 2021

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
07(03/2021)	Supply and Installation of Pressure Pump for EXT 3&9 in Heilbron	Ginnark	R172 040.00
03(04/2021)	Ngwathe local Municipality is hereby inviting suitable and accredited training providers who meet the academic requirements for CPD credit tot provider occupational health safety training for OHS REP:	Effective engineering & Artisan	R60 000.00
		<b>TOTAL</b>	<b>R232 040.00</b>

#### JUNE 2021

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
08(03/2021)	Supply and delivery of sewer rods	Ginnark Engineering	R102 651.30
03(05/2021)	Supply and delivery of roar marking paint (white paint 25ltr 80,	Ginnark Engineering	R191 751.00



	yellow paint 25 ltr 30, thinners 25ltr 10, rollers 20		
02(05/2021)	Supply and delivery of generator	Icox Trading (pty) Ltd	R44 000.00
04(05/2021)	Supply and delivery of tar 1000 bags	Icox Trading (pty) Ltd	R82 000.00
19(02/2021)	Supply and deliver of plumbing material	Molathewa Trading	R189 085.99
06(04/2021)	Supply and Delivery of Laboratory Instrument's	Purple Maroon Projects	R109 480.00
06(05/2021)	Supply and Delivery of Pumps	Patsam General Dealer	R94 000.00
03(04/2021)	Ngwathe local Municipality is hereby inviting suitable and accredited training providers who meet the academic requirements for cpd credit tot provider occupationa health safety training for OHS REP:	Effective engineering & Artisan	R60 000.00
02/06/2021	Supply and delivery of Plumbing material	Mchango Consulting	R151 500,00
		<b>TOTAL</b>	<b>R1 024 468.29</b>

- Total No. of 14 advertised seven days for the Fourth quarter ended 30 June 2021
- Total Amount of R1 532 613.29 of seven days awarded during the fourth quarter ended 30 June 2021

Section 17(1)(c) of the Municipal Supply Chain Management Regulations (GNR 868 of 30 May 2005) stipulates that, if it is not possible to obtain at least three formal written price quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer.

The awards below did not comply with the above regulated requirement and a reason relating to each instance is given for the approval of the Chief Financial Officer:

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
N/A – NONE			

**3.3.2. PROCUREMENTS ABOVE A TRANSACTION VALUE OF R200, 000 (VAT Included) THAT WERE SUBJECTED TO A COMPETITIVE BIDDING PROCESS:**

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
NLM/FIN/GRAP-ASSETS/01/2021 (03/2021)	Panel of consultant to assist in compilation, update and maintenance of GRAP compliant assets register for a period of three years (36 months) on as and when required	1. West Rand Consulting(Pty)Ltd 2. JBFE Consulting(Pty)Ltd 3. Market Demand Trading 773(Pty)Ltd	As and when required
NLM: TEC-90-15/20	Appointment to design, construct and supervision for Parys Tumahole Solid Waste Disposal	Masiqhame Trading JV Mvelase Engineer Service Pty Ltd, Phecron	R2 307 799:44
NLM: FIN/05/2021-MGP	Request for proposal construction / refurbishment of Magsyn Garage at Parys	Mabaso Holdings	R1 141 840.77
NLM: FIN:02-2021	Appointment of professional service provider to provide Auctioneering Service to dispose of Municipal Movable Property	Auction 24	6.9% commission based fee
NLM: TEC 90-20/16	Appointment of panel of contractors / service providers to supply and delivery of water meters for a period of three years (36 month) as and when required	1. Masiqhame Trading 28 2. Fresh Standards (Pty) Ltd 3. Mox Trading & Projects 4. Rikel 5. KFC Engineering and Industrial 6. Sakhikhaya Supplier 7. Delange Risk Management 8. Star Traders (Pty) Ltd 9. Molefi SM Trading cc JV 10. Naledi Inkanyezi Trading 11. Nomsa Zanele Construction and Projects 12. Two General Trading	As and When Required

		13. Mchango Consllting and projects 14. MJM Solutions (Pty) Ltd 15. Bryn Construction 16. Fabriteck Engineering 17. Afromove Holdings Projects 18. AB Projects 19. Tibi Transport and Projects 20. WW Civil and Construction 21. Moloko O Motjha Trading 22. Castlehill Trading 314 23. KC Middleman Trading	
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### 3.3.3. NONE COMPLIANCE

The Municipal Supply Chain Management Policy as well as Regulations (GNR 868 of 30 May 2005) prohibits business transactions with a person whose:

- ☐ Tax matters are not in order;
- ☐ In the service of state;

The Policy further outlines processes that must be followed when requesting/ procuring goods or services above the following ranges:

- ☐ R 0 – R 2,000 > Petty cash purchases
- ☐ R 2,000 – R 10,000 > Written or verbal quotations (VAT Included)
- ☐ R 10,001 – R 200,000 > At least three quotations must be solicited
- ☐ R 30,000 < in addition to at least three quotations, must be advertised for at least seven days on the website and on official notice board of the municipality
- ☐ R 200,001 > Competitive bidding process

Despite the above regulated requirements, the following conditions could still not be complied with:



### 3.3.3.1. Tax clearance certificates were not obtained from the following suppliers:

Supplier	Services/Goods	Cost
TOTAL - NONE		

### 3.3.3.2. The declarations of interest were not obtained from the following suppliers:

Supplier	Services/Goods	Cost
TOTAL - NONE		

### 3.3.3.3 None Compliance / Irregular Expenditure

Supplier	Services/Goods	Cost
NONE - NONE		

### 3.3.3.4 Awards made in terms of Supply Chain Management Regulation, Section 32 of the SCM Regulation

SCM Regulation, sec. 32 and SCM Policy sec. 6 makes provision for the accounting officer to procure goods or services for the municipality under a contract secured by another organ of state, but only if:

- The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state.
- That other organ of state and the provider have consented to such procurement in writing.
- There is no reason to believe that such contract was not validly procured.
- There are demonstrable discounts or benefits to do so.

The following services / goods were procured in terms of the above legislative prescripts:

Date	Service Provider	Project Discretion	Department	Amount
NONE				



### 3.4 DEVIATION

The municipal SCM Policy, applied consistently with Section 36(1) of the Municipal Supply Chain Management Regulations which provides for the accounting officer to dispense with the official procurement processes established by the Policy to procure any required goods or service through any convenient process which may include direct negotiations and/or deviating from the Supply Chain Management process.

The accounting officer has considered and approved a total number of 5 procurement transaction totaling R370,202 in line with Section 36 of the SCM Regulation (Deviation) (Annexure A and B). For the fourth quarter ended 30 June 2021.

## ANNEXURE A



The home of harmony, prosperity and growth

The Home of Harmony, prosperity and growth

**DEVIATION REPORT FOR THE MONTH ENDED 30 APRIL 2021**  
**The Supply Chain Management Regulation, Section 36 Government Gazette notice 868 of 2005, refers.**

DATE	NAME OF SUPPLIER	REASON FOR DEVIATION	DESCRIPTION	AMOUNT
03/04/2021	Tshisamamo Projects(Pty) L	The municipality does not have capacity (human resource) to handle and attend to all those points as a results they are vulnerable to theft and vandalism.	Security	R80,600.00
06/04/2021	Centralec	Electrical Material in Edenville which are needed as a matter of urgency we need air deck for burnt cables and new installations and extensions of hidden cables.	Airdac SNE Solid Comms	R49,000.00
09/04/2021 -	Naledi Nkanyezi Trading	The Municipality is preparing for the influx of patrons in the town of Parys. As a way of ensuring that there are areas that they can visit a decision has been taken to open Mimosa gardens. This will ensure that communities visiting the area are able to enjoy family time in this facility while accessing the outside environment next to the Vaal River	Provision of 6 VIP toilets for 6 days	R54,000.00
			<b>TOTAL</b>	<b>R183,600.00</b>

## ANNEXURE B



The Home of Harmony, prosperity and growth

**DEVIATION REPORT FOR THE MONTH ENDED 31 MAY 2021**  
**The Supply Chain Management Regulation, Section 36 Government Gazette notice**  
**868 of 2005, refers.**

DATE	NAME OF SUPPLIER	REASON FOR DEVIATION	DESCRIPTION	AMOUNT
2021/05/21	Khabirise Holdings	Request for the Municipality to appoint external Security service in order to deal with higher theft at municipal building	Appoint external security	R170,000.00
2021/05/21	CMS Water Engineering	Repair of air valve for pump to be effectively pump water into the storage reservoir was don	Repair of Air valve	R16,502.50
			<b>TOTAL</b>	<b>R186,602.50</b>

-End of Report-