



The Chairperson and Members of  
Finance & Budget Committee

Head Quarters  
PO Box 359  
**PARYS**

Notice is hereby given that the **Special Finance & Budget Committee** meeting  
will be held as follows:

**16 April 2021**  
**AT 10:00**

Virtually on ZOOM to discuss the items on the agenda.

  
  
**CLLR ML MOFOKENG**  
**CHAIRPERSON**  
12 April 2021

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

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

## 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 31 March 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:

#### JANUARY 2021

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
01(12/2020)	Supply and Delivery of Plumbing Material	Mchango Consulting and Projects	R189,000.00
02(12/2020)	Supply and Delivery of 2 Water Motor for Heilbron Booster Pumps	De Lange Risk Management	R44,800.00
TOTAL AWARDS			R284 835.00

#### FEBRUARY 2021

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
05(01/2021)	Supply and delivery of wipes (60 Buckets of 600 wipes)	Castlehill Trading 314	R44,850.00
13(01/2021)	Supply and delivery of anti-virus program for 250 users	Mchango Consulting	R96,200.00
04(01/2021)	Supply and delivery of cement 150 bags and 150m of building sand	Maksp cc I/A Vuyo	R65,550.00

10(01/2021)	Supply and delivery of gloves (15 boxes, 120 pairs per box)	Batlakwa Holdings	R20,790.00
03(01/2021)	Supply and delivery of cold asphalt (750 bags of 25 Kg)	Violots & Roses	R64,500.00
09(01/2021)	Supply and delivery of cold asphalt (1000 bags of 25Kg)	Ntkangano Business Enterprise	R76,280.00
01(01/2021)	supply and delivery of water meters (15mm ) 250	Castlehill trading	R138,000.00
08(01/2021)	supply and delivery of Plumbing Material	Batlakwa Holdings	R36,120.00
07(01/2021)	supply and delivery of Plumbing Material	Castlehill trading	R42,377.50
01(01/2021)	Supply and delivery of cleaning material	Castlehill trading 314 cc	R65,875.00
		TOTAL	R661,542.50

## MARCH 2021

TENDER NO	TENDER DESCRIPTION	AWARDED BIDDER	AMOUNT AWARDED
05(11/2020)	Supply and delivery of grass killer poison (20 of 20lbs)	Molathewa Trading	R45,080.00
10(02/2021)	Supply and delivery of rods (100 rods, 20 worm and 10 sewer snake)	High Life Holdings	R42,192.00
11(01/2021)	Supply and delivery of nose bags (15 boxes – 20 inside each box)	Batlakwa Holdings	R57,300.00
12(02/2021)	Supply and delivery of cartridges (20 Cartridges)	Sizakancane Trading Enterprise	R38,000.00

06(01/2021)	Supply and delivery of plumbing material	Mchango Consulting	R102,600.00
11(02/2021)	Supply and delivery of tar 1000 bags of 25Kg	Ga Tlhona Holdings	R69,985.50
08(02/2021)	Supply and delivery of paints (white 20 units of 25ltr, black 20 units of 25ltr, 20 brushes, 20 rollers, 20 trays and traffic cones)	Ga Tlhona Holdings	R82,759.90
12(01/2021)	Supply and delivery of cleaning material	Batlokwa Holdings	R47,600.00
21(02/2021)	Supply, installation commission and provision of support	Mubesko Africa	R165,143.45
06(11/2020)	Supply, delivery and installation of 16 Gorman Rupp pump	De Lange Risk Management	R350,000.00
04(03/2021)	Supply and delivery of water quality testing equipment's	Tibi Transport & Projects	R184,115.00
20(02/2021)	Supply and delivery of electro mechanical hoist	Batlokwa Holdings	R33,425.00
01(02/2021)	Supply and delivery of Plumbing material	Kgwerana trading Enterprise	R220,000.00
01(03/2021)	Supply and delivery of high alcohol medical wet wipes (120 buckets)	Ga Tlhona Holdings (Pty) Ltd	R35,817.60
03(02/2021)	Supply and Delivery of grass cutting equipment's Parys (WTW)	Batlokwa Holdings (Pty) Ltd	R90,448.00
16(02/2021)	Supply and delivery of plumbing material (Parys)	Sitna Trading Pty Ltd	R197,495.90

04(02/2021)	Supply, Delivery and Installation of 300mm Butterfly Valve	Ga Thone Holding Pty Ltd	R29,844.40
17(02/2021)	Supply and delivery of 100 Tons of Hot Mix Asphalt in Heilbron	Icox Trading (Pty) Ltd	R185,000.00
15(02/2021)	Supply and delivery of Rods	Ga Thone Holdings (Pty) Ltd	R25,432.03
07(03/2021)	Supply and Installation of Pressure Pump for Ext 3&9 in Heilbron	Gimmark Engineering	R172,040.00
06(03/2021)	Supply and Delivery of Stationary	Khwezi Group	R108,799.20
05(03/2021)	Supply and Delivery of Cartridges (12 Cartridges)	Mchango Consulting	R50,103.00
14(02/2021)	Supply and Delivery of 10 water Pipes, 40 water clamps and 20 clamps	Icox Trading (Pty) Ltd	R64,000.00
13(02/2021)	Supply and Delivery of Jojo Tanks, Nipples and Elbows (15 jojo tanks, 30 nipples and 30 elbows)	Mchango Consulting	R44,850.00
		TOTAL	R2,442,030.68

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: TEC-01/20/21	APPOINTMENT FOR REFURBISHMENT /UPGRADING OF THE EXISTING WASTE WATER TREATMENT WORKS IN KWAKWATSIKOPPIES	MDZILLI TADING ENTERPRISE CC	R12 409 136.90
NLM: TEC-04/20	APPOINTMENT FOR DESIGNS, CONSTRUCTION AND SUPERVISION FOR MOKWALLO/VREDEFORT SPORTS COMPLEX PHASE 3	TWIN BROTHERS CONSTRUCTION JV SIZISA UKHANYO	R1 041 670.00
NLM: COM-04-2020C	APPOINTMENT OF REGISTERED AND ACCREDITED SECURITY COMPANY TO PROVIDE SOLUTION FOR NGWATHE LOCAL MUNICIPALITY SECURITY SERVICES NEEDS FOR A PERIOD OF 3 YEARS (36 MONTHS)	PRO SECURE	R4 061 353.66
NLM/FIN/PERHOS/04/2018	APPOINTMENT: COMPILATION OF ANNUAL FINANCIAL STATEMENT FOR 2019/20 AND PRIOR PERIOD ERRORS FOR THE 2018/19	SKILLZ-SA CONSULTING AND ADVISORY (PTY) LTD	R3 127 000.00

<ul style="list-style-type: none"> <li>· Total No. of 34 advertised seven days for the third quarter ended 31 March 2021</li> <li>· Total Amount of R3 388 408,48 of seven days awarded during the third quarter ended 31 third 2021</li> </ul>
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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:

### 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 22 procurement transaction totaling R1 837 644.01 in line with Section 36 of the SCM Regulation (Deviation) (Annexure A, B and C). For the third quarter ended 31 March 2021.

## ANNEXURE A



The home of harmony, prosperity and growth

NGWATHE LOCAL MUNICIPALITY

DEVIATION REPORT FOR THE MONTH ENDED 31 JANUARY 2021

The Supply Chain Management Regulation, Section 38 Government Gazette notice 868 of 2005, refers.

DATE	NAME OF SUPPLIER	REASON FOR DEVIATION	DESCRIPTION	AMOUNT
N/A	None	None	N/A	R0.00
			TOTAL	R0.00

## ANNEXURE B



The home of harmony, prosperity and growth

**NGWATHE LOCAL MUNICIPALITY**

**DEVIATION REPORT FOR THE MONTH ENDED 28 FEBRUARY 2021**

The Supply Chain Management Regulation, Section 36 Government Gazette notice 868 of 2005, refers.

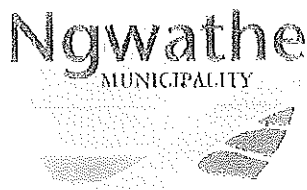
DATE	NAME OF SUPPLIER	REASON FOR DEVIATION	DESCRIPTION	AMOUNT
2021/02/01	Ramagapu Trading & Projects	Refurbishment of booster pumps at reservoir no 4, in order to pump the water to reservoir no 2, for supply to Tumahole.	Refurbishment of grand force pumps at reservoir no 4	R181 927.00
2021/02/16	Wilson and Sons Trucking	Sole company which was available to be approached, request for approval and deviation for not following normal supply chain processes of sourcing the quotation was not practically possible and it was also as a strip and quote system,	Repair Vehicle (CZN 268fs)	R39 830.25
2021/02/16	Wilson and Sons Trucking	Sole company which was available to be approached, request for approval and deviation	Repair vehicle (DBM 472 FS)	R58 417.09

		for not following normal supply chain processes of sourcing the quotation was not practically possible and it was also as a strip and quote system.		
2021/02/17	Sure Travkor	Municipality does not have roadworthy vehicles to enable officials to perform their duties as expected, therefore, rental was the option to ensure business continuity.	Vehicle hire	R19 796,50
2021/02/15	Wilson and sons trucking cc	Sole company which was available to be approached, request for approval and deviation for not following normal supply chain processes of sourcing the quotation was not practically possible and it was also as a strip and quote system.	Strip and quote and hire low-bed for Toyota land cruiser & ford cruise (Fire and Rescue) FPP 174 FS	R10 175,20
2021/02/15	Wilson and sons trucking cc	Sole company which was available to be approached, request for approval and deviation for not following normal supply chain processes of sourcing the quotation was not practically possible and it was also as a strip and quote system;	TLB-4X new tyres, 4x new tubes, 4x new flaps & filament	R48 379,50

2021/02/15	Wilson and sons trucking cc	Sole company which was available to be approached, request for approval and deviation for not following normal supply chain processes of sourcing the quotation was not practically possible and it was also as a strip and quote system,	repair ford ranger HJL 579 FS (Water network Pays)	R48 522,49
2021/02/15	Wilson and sons trucking cc	Strip and quote and hire low bed	Low-bed transport for delivery of Komatsu TLB	R38 458,00
2021/02/15	Wilson and sons trucking cc	Strip and quote and hire low bed	Low-bed transport for delivery of Komatsu TLB	R11 075,80
2021/02/17	Sure Travkor	Municipality does not have roadworthy vehicles to enable officials to perform their duties as expected, therefore, rental was the option to ensure business continuity.	Car Rental	R19 795,59
2021/02/16	Wilson and sons trucking cc	Sole company which was available to be approached, request for approval and deviation for not following normal supply chain processes of sourcing the quotation was not practically possible and	Repair of Vehicle(FPP 174 FS )	R24 436,00

		it was also as a strip and quote system,		
2021/02/18	Wilson and sons * trucking co	Sole company which was available to be approached, request for approval and deviation for not following normal supply chain processes of sourcing the quotation was not practically possible and it was also as a strip and quote system,	Repair of Vehicle(11L 569 F3 ) CRANE TRUCK	R108 663,50
			TOTAL	R604 475,01

## ANNEXURE C



The home of harmony, prosperity and growth

NGWATHE LOCAL MUNICIPALITY

DEVIATION REPORT FOR THE MONTH ENDED 31 MARCH 2021

The Supply Chain Management Regulation, Section 36 Government Gazette notice 868 of 2005, refers.

DATE	NAME OF SUPPLIER	REASON FOR DEVIATION	DESCRIPTION	AMOUNT
03/03/2021	Twin Brothers Construction	The outline pipe couldn't deliver water to the network due to a broken water pump and left the town is without water, hence the matter were treated as an emergency.	Refurbishment of pressure tank in Koppies	R98 855.00
10/03/2021	Castlehill Trading 314	Electricians needed tools as a matter of compliance purposes prior attending training.	Tool box	R81 396.00
01/03/2021	Garnjet	kindly be advised the municipality appointed panel of service provider for rental of yellow fleet, for a period of 3 years. And on the	Rental of honey sucker combo truck for 5 days	R113 666.00



		appointed panel the SCM discovered that all appointed service provider do not have recycling combination unit truck with the required high pressure for unblocking municipal underground sewer main lines/pipes		
17/03/2021	Wilson and sons trucking cc	Due to current crisis at Parys water treatment works, the municipality does not have capacity to pump water at various section at Tumahole, therefore the community did not have access to water , the only option were to fill up jojo tanks hence there was a need for rental of water tanker in order to address the problem	Hire of 10 000lt water tanker	R81 282.00
26/03/2021	Pioneer Security Service	Municipality extend an existing appointment of security services in order to deal with higher theft at	Security Services	R250 263.00

		<p>municipal buildings. The municipality's security does not have capacity to deal with all theft and burglaries taking place at municipal building due to the required numbers transportation, equipment etc.</p>		
29/03/2021	Centrales (Pty) Ltd	<p>The SCM requested quotation from a service provider (Yande Engineering) appointed for supply and delivery of electrical material for a period of three years, after receiving the quotation the SCM did market analysis by testing the market price against the quotation received from Yande Engineering, after market analysis has been conducted it was affirmed that the quotation received from Yande Engineering is beyond the market price, hence the SCM is</p>	Security services	R47 978.00

		deviating from the appointment of Yande Engineering		
31/03/2021	Tshisamamo Projects (Pty) Ltd	Municipality extend an existing appointment of security services in order to deal with higher theft at municipal buildings. The municipality's security does not have capacity to deal with all theft and burglaries taking place at municipal building due to the required numbers transportation, equipment etc.	Security Services	R74 400.00
31/03/2021	Tshisamamo Projects (Pty) Ltd	Municipality extend an existing appointment of security services in order to deal with higher theft at municipal buildings. The municipality's security does not have capacity to deal with all theft and burglaries taking place at municipal building due to the required numbers	Security Services	R93 100.00

		transportation, equipment etc.		
17/03/2021	Wilson & Sons Trucking	Due to current crisis of Parys water treatment works, the municipality did not have capacity to pump water at various sections (reservoirs at Tumehole and rented water truck in order to supply water at all affected areas)	Hire 10 000lt water Tank	R138 986,00
26/03/2021	Pioneer Security Service	The Security was needed, because of High Theft at Municipal Buildings, because Municipality's security does not have capacity to deal with theft.	Security Services	R250 283,00
			TOTAL	R1 233 469,00

-End of Report-