



REPORT TO THE MUNICIPAL COUNCIL

**SUBJECT: OVERSIGHT ROLE OF COUNCIL: IMPLEMENTATION OF SUPPLY CHAIN
MANAGEMENT POLICY IN TERMS OF SECTION 6(1)(3) OF THE MUNICIPAL REGULATIONS FOR
THE FORTH QUARTER AND ANNUAL REPORT OF THE 2024/2025 FINANCIAL YEAR FOR
SUPPLY CHAIN MANAGEMENT.**

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2. Introduction

In terms of clause 6(1) (3) of the Municipal Supply Chain Regulations, 2005, which deals with the Oversight role of council of a municipality or board of directors of a municipal entity:

- 1) The Council of a Municipality and board of directors of a Municipal Entity must maintain oversight over the implementation of its supply chain management policy.
- 2) The Accounting Officer must, within 10 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 or the board of directors of the municipal entity.

1. SCM Policy and Procedures

- 1) Review and adoption of Supply Chain Management Policy by Council In terms of Regulation 3(1)(b) of the Supply Chain Management Policy the policy must be reviewed annually, submitted to Council, and adopted. The Supply Chain Management Policy was reviewed and adopted by Council on 31 May 2024.
- 2) All SCM delegations are being followed. Further Regulation 106: Implementation of Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIPDM) does bring another burden on the SCM unit – all capital projects must comply with this regulation from 1 July 2021. This reform is over the whole Municipality but with little assistance the SCM unit is the implementer and the responsible person to implement the project is the Project Manager. This is to ensure that proper planning is done for projects over R50 million, but for best practice the Municipality can use this tool on all projects not depending on the amount.

3. Function of the SCM unit

- a) All staff in the Unit declared their interest for the 2024/2025 financial year.
- b) All SCM staff signed the Code of Conduct.
- c) Capacity **of SCM unit**

The SCM unit comprises of:

- Manager: Supply Chain Management & Expenditure (Nelmarie Bothma)
- Head: Assets and Supply Chain Management (Shaun Wilschut)
- Accountant: Supply Chain Management (Revedy- Lavern Hendricks)

- Assistant Accountant : Assets and Insurance (Johannes Coetzee)
 - Supervisor : Stores (Leighton Donkerman)
 - Buyer: SCM- Stores (Casey- Lee Smit)
 - Chief Clerk: Assets and Insurance (Urlston Van Wyk)
 - Senior Clerk: Assets and Insurance (Kirwan Klaase)
 - Administrator: Supply Chain Management (Coellin Julius)
 - Senior Worker: Stores PB (Vacant) – in process of filling.
 - Senior Worker: Stores PV (Geraldine Sofat)
 - Senior Worker: Stores VD (Alfonso de Klerk)
 - General Assistant: Stores PB (Orelia Turner)
 - Administrator: Contract Management (Hybrid position split between bank reconciliations and salaries)
 - Interns - We appointed three interns as from 1 April 2025 – one intern was appointed in the Hybrid position in the BTO office.
 - The approved organogram makes provision for unfunded posts. It is critical that Council should make funds available to fund the Administrator: Contract Management position since this is a focus area of the AG, and Council made it a hybrid position and the duties is fulltime to assist all departments. Cognizance should be taken that all though one additional posts was funded, the organogram must be reviewed on an annual basis to build the SCM unit to full capacity to ensure:
 - ***Further it is urgently needed to consider the filling of buyer's positions, Council did consider to make budget available to appoint one buyer in the 2025/2026 financial year, one buyer is still inefficient to centralize the supply chain unit.***
 - ***The Unit is also experiencing backlog with the processing of orders on a daily basis. This is due to more compliance with the submission of quotations that must first be checked (COMAF from previous external audit) and we receive on a daily basis more that 50 requests. Currently the Senior Clerk: Assets and Insurance – Mr Kirwan Klaase is assisting with this function.***
- i. A clean audit in terms of compliance in terms of the Regulations.
 - ii. To comply with Section 115(1) (b) Local Government: Municipal Finance Management Act (Act no 56 of 2003) with regards to segregation of duties in the SCM system to minimize the likelihood of fraud, corruption, favoritism and unfair and irregular practices; and
 - iii. To put the necessary levels of control in place (auditing of documents and authorization of orders, etc.)

Centralization of functions must still take place, and this puts an additional burden on existing structure to comply with the following SCM regulations. The following aspects must be addressed with the appointment of officials during 2025/2026.

- (i) Regulation 10 (Demand Management) – this will be addressed with the filling of the vacancies, but not to a point where centralization can take place.
- (ii) Regulation 41 (Risk Management) – this will be addressed with the filling of the Vacancies; and

(iii) Regulation 42 (Performance Management) - this will be addressed with the filling of the vacancies.

Provision was made for additional capacity during the annual review of the approval of the Organogram for the 2024/2025 to appoint officials to perform the following functions:

- (i) Regulation 39 (Logistics Management)
- (ii) Regulation 40 (Disposal Management)
- (iii) Critical additional officials must be appointed to perform functions regarding best new governance practices.

4. Function of the Bid Committees

Formal Tenders Awarded: Competitive Bidding for all Contracts valued more than R30 000

The competitive bidding process and bid committee structures are functioning effectively. The Bid Committees are composed of the following members:

#	Committee	Composition & Function
1.	Bid Specification Committee- BSC	The project manager and a Senior SCM Practitioner- Considers tender specifications and approve and recommend for approval to the HOD
2.	Bid Evaluation Committee- BEC	The project manager, a Senior SCM Practitioner and any other Manager- Considers tender evaluation reports and makes recommendations to the BAC
3.	Bid Adjudication Committee- BAC	At least 4 directors and a Senior SCM Practitioner, with the CFO as Chairperson. (Not the same SCM Practitioner as BEC)- Considers recommendations from the BEC and make awards or recommend to the MM to award the tender. The Municipality follows the principle of a quorum 50% plus 1 to consider tenders.

Members of the bid committees are required to declare to undertake the following:

That all information, documentation, and decisions regarding any matter before the committee is confidential and undertakes not to make known anything in this regard.

To treat all service providers and potential service providers equitably and will not purposefully favour or prejudice anybody; and

To make known details of any private or business interest he or she or any close family member, partner or associate may have in any proposed

procurement or disposal of, or in any award or contract that they will immediately withdraw from participating in any matter whatsoever.

The Auditor General has identified businesses that have directors, etc., who are currently in service of the state. Monthly the Payroll is submitted to National Treasury regarding update the employees in service of the state. All Councillors and Staff must declare all their businesses and relationships with businesses if it should change during the financial year.

Number	Name	Credit number	Relationship	Name	ID number	Government Department	Occupation	Town	Payments Made YTD 2024/2025
1	Sonneberg Taxi's Transport	MAAA0588192	Spouse	Stacey Sonneberg	8911210093084	Bergvriër Municipality	Admin Officer HR	Piketberg	R 32 050,00
2	Pison Hawila Construction	MAAA1063642	Son	Garth Scheepers	9106055163089	Bergvriër Municipality	Law Enforcement Officer	Piketberg	R 4 373 869,47
3		MAAA1063642	Son In Law	Randall Swarts	7612305083086	Bergvriër Municipality	Speaker	Piketberg	
4	Carlen Van Wyk	MAAA1318361	Spouse	Henry Paul Van Wyk	7408295189086	Bergvriër Municipality	Senior Worker: Stores	Piketberg	R 132 400,00
5	Nissen Holdings	MAAA0987040	Spouse	Shaneen Glyris Nissen	7304160128087	WCED	Teacher	Caledon	R 13 500,00
6	Prinro Building	MAAA0023725	Spouse	Mrs. Esau		WCED	Teacher	Western Cape	R 289 624,42
7	JPCE Pty Ltd	MAAA0029745	Husband	Johan Adriaan Minnie	7207065024089	City of Cape Town	Manager (Head) Disaster Management	Cape Town	R 2 809 832,45
8	Amandla GCF Construction	MAAA0244521	Brother in law	John Emanuel Jacobs	6402085097089	National Government Employment & Labour	Principal Inspector	Western Cape	R 953 873,98
9	Amandla GCF Construction	MAAA0244521	Sister	Unita Frazenburg	7005280076086	National Government Employment & Labour	Registrar of Deeds Kimberley	Western Cape	
10	Amandla GCF Construction	MAAA0244521	Brother	Eben Frazenburg	6805255201085	WC Government, Education - Kleinvelei HS	Teacher	Western Cape	
11	Amandla GCF Construction	MAAA0244521	Sister	Jacquiline Frazenburg	6408310163083	WC Government, Education - Kleinvelei HS	Teacher	Western Cape	
12	Amandla GCF Construction	MAAA0244521	Brother	Bryan Frazenburg	7501235126083	City of Cape Town, Traffic Department	Municipal Prosecutor	Western Cape	
13	Conlog (Pty) Ltd	MAAA0233537	Spouse	Nirvasha Moodley	7811020161082	Dept of Health	Director		R 108 790,00
14	IX Engineering	MAAA0375346	Spouse	Mrs. Mashegana	6610230740086	Dept of Health	Nurse	Gauteng	R 4 770 297,13
15	Krestos Services	MAAA1586765	Spouse	Esmerelda Somers	7612310108084	Bergvriër Municipality	Cleaner	Piketberg	R 1 600,00
									R 13 485 837,45

The members of the Bid Committees have duly undertaken to uphold confidentiality, to be fair in all dealings and to declare their personal interests, if any. None of the members had conflicts of interest to declare.

The awards made by bid committees or the delegated officials are valued to the amount of **R124 596 643.50** formal tenders awarded, excluding the rates tenders.

38 Tenders Awarded between 01 July 2024 and 30 June 2025 were awards to the amount of **R124 596 643.50** with twenty eight (28) rates-based tenders.

1 awards to Piketberg service providers and 0 to Porterville. 2 to Velddrif 0 to Eendekuil, 0 to Redelinghuis, 0 to Aurora for to service provider inside Bergvriër Municipality.

36 Formal Quotations were awarded between July 2024 and 30 June 2025. This included 7 awards for Piketberg, 0 for Porterville, 1 for Velddrif, 1 for Goedverwacht, 0 for Eendekuil service providers and 5 rate-based Quotations to service providers inside Bergvriër Municipality. The value of the Formal Quotations was **R 2 473 209.42 excluding 22 rates-based quotations.**

All tenders are opened to the public, and the results of the opening are recorded in a Bid Opening Register and placed on the Municipal Website.

Council also requires statistical information regarding the time taken to process a tender in terms of the SCM Policy in in line with the following criteria:

The SCM unit changed the evaluation process, – but tenders were hold up by Community Services for evaluations to be done. The SCM unit assisted with these evaluations and it was sent back to the user department and they still did not submit the reports back for a meeting to be held in good time. This was due to resource constrains and personally I would say a lack of skill.

Description of Measurement Criteria per Tender	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Average Calendar Days from Bid Specification Committee (BSC) to Bid Adjudication Committee (BAC)- Full Procurement Cycle	94	110	106	102
Average Calendar Days from Tender Advertisement Date to BAC	85	122	101	82
Average Calendar Days from Tender Closing Date to BAC	53	104	76	63
Average Calendar Days from Tender Closing Date to BEC- Tender Evaluation	36	45	85	77
Tender with Fastest Procurement Process: BSC to BAC	72	42	42	35
Tender with Longest Procurement Process: BSC to BAC	113	226	168	139

5. Deviations from the SCM Policy

Section 36(1) of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement processes under certain circumstances. During the 1 July 2024 and 30 June 2025, **6** deviations to the total amount of **R1 868 002.92** was considered as per **delegation provided by the SCM Policy**. Deviations are considered and approved in line with Section 36(1) (a) (i), (ii) & (v) of the Bergrivier SCM Policy.

Deviations 2024-2025							
				Type of Deviation 2024-2025			
Number	Name of Service Provider	Amount	Month	Single Supplier	Emergency	Short description	DIRECTORATE
Jul-24							
1	Blue Jasper Trading(Pty)Ltd	R 104 550,00			R 104 550,00	Disaster - weather cut of trees falling	Community Services
Aug-24							
2	Ithuba Industries	R 750 000,00	15 Aug 2024		R 750 000,00	The bulk water supply pipeline of Goedverwacht was damaged during the stormy rain and Bergvriër Municipality requested assistance from Department of Local Government for flood damage repairs. The timeline did not allow for a formal tender process as this was emergency repair works.	Technical Services
Sep-24							
3	Ithuba Protection Services	R 161 920,00	26 Sept 2024		R 161 920,00	A threat was made on the life of some municipal Councillors. As a result, the Municipality is obliged to take every step to ensure the safety of these Councillors. In order to render this kind of protection, armed security guards must be appointed to protect the officials and their families. Bergvriër Municipality has a current tender for the rendering of security services, but it does not make provision for armed security guards, since it was not part of the specifications. The Municipality obtained quotes from the current service provider, but their quote was not the cheapest and therefore we will use the cheapest quote to receive value for money. Both Suppliers are on the level 1 for BBBEE. The service is urgently needed and a service provider must be appointed immediately. Therefore the normal procurement process cannot be followed, but we tried to obtain the three quotes. Threat received on 6 September 2024 and reported to SAPS on the same date. Threat discussed with SAPS in a meeting on 6 September 2024. SAPS undertook to do threat analysis. Up to date no feedback was received from SAPS.	Community Services
Oct-24							
4	AJ Broom Road Products	R 108 394,86	16 Oct 2024		R 108 394,86	Damages to the roads after the heavy rainfall during August and September months. Was not the normal rainfall and roads need urgent attention.	Technical Services
Feb-25							
5	Conlog Pty Ltd	R 34 442,50	25 Feb 2025	R 34 442,50		During the move of the Municipal Stores from Technical Services to the Finance Department it was found that a lot of the Conlog Prepayment Electricity Meters was incomplete. In the past the stores personnel gave out keypads that was dedicated to a prepayment electricity meter. As a result, we have a lot of prepayment meters in the Municipal Stores that cannot be used, because there is not enough keypads available. To use the meters, we need to procure the specific keypad for the meter. Conlog Pty Ltd is the manufacturer and sole supplier of the CIU (X) product.	Financial Services

Month	Total	Emergency	Impossible / Impractical / Exceptional Case	Sole Provider	
July	R104 550	R104 550	Zero	Zero	Zero
August	R750 000	R750 000	Zero	Zero	Zero
September	Zero	Zero	Zero	Zero	Zero
October	R108 394.86	R108 394.86	Zero	Zero	Zero
November	Zero	Zero	Zero	Zero	Zero
December	Zero	Zero	Zero	Zero	Zero
January 2025	Zero	Zero	Zero	Zero	Zero

February 2025	R34 442.50	Zero	Zero	R34 442.50	Zero
March 2025	R854 285.56	R 854 285.56	Zero	Zero	Zero
April 2025	R16 330.00	Zero	Zero	R16 330.00	Zero
May 2025	Zero	Zero	Zero	Zero	Zero
June 2025	Zero	Zero	Zero	Zero	Zero
TOTAL	R1 868 002.92	R1 817 230.42	Zero	R50 772.50	Zero
<i>Departments</i>	<i>Community</i>	<i>Finance</i>	<i>Corporate</i>	<i>Technical</i>	<i>Municipal Manager</i>
July	R104 550	N/a	N/a	N/a	N/a
August	N/a	N/a	N/a	R750 000	N/a
September	N/a	N/a	N/a	N/a	N/a
October	N/a	N/a	N/a	R108 394.86	N/a
November	N/a	N/a	N/a	N/a	N/a
December	N/a	N/a	N/a	N/a	N/a
January 2025	N/a	N/a	N/a	N/a	N/a
February	N/a	R34 442.50	N/a	N/a	N/a
March	N/a	N/a	N/a	R 854,285.56	N/a
April	R16 330	x	x	x	x
May	x	x	x	x	x
June	x	x	x	x	x
TOTALS	R120 880	R34 442.50	N/a	R 1 712 680.42	x

6. Reporting on Regulation 32

There were no section 32 appointments

7. Reporting on the Central Supplier Database (CSD)

The CSD is sometimes offline and will hamper the SCM Unit to do an order, or Suppliers do not update their information regularly. The SCM unit did place an advertisement to request Suppliers to regularly update their information on CSD.

The unit also provide assistance to Suppliers that struggle to register.

8. Reporting on Regulation 33

The bid documentation, evaluation and adjudication criteria and general conditions of a contract must be in accordance with applicable legislation. There was one section 33 applications for the year from July 2024 June 2025.

The water concession with the Weskus District Municipality. The Municipality is still awaiting an answer from National and Provincial Treasury.

9. Reporting on the Procurement Plan

The Procurement Plan is a challenge due to the fact that Procurement Plans are not submitted with the Budget Process. Departments do not follow the due dates submitted, but for the 2024/2025 fiscal year the Procurement Plan will be submitted monthly to the Chairpersons of the different Standing Committees of Council.

Another suggestion is that all capital projects should be linked to the SDBIP.

The relevant departments gave the dates to SCM on the Procurement Plan when processes will start but did not adhere to the dates.

As at 30 June 2025 the following milestones were reached by the various departments.

The overall spending for the whole municipality is 89.83% for the financial year. Changes can happen after the unbundling of assets.

Vote 1 Municipal Manager	Total Budget	Year to date Spending	Actual Year to date Spending (%)
Mayor and Council	14 490,00	14 488,56	100%
Municipal Manager	23 243,00	23 242,61	100%
Economic Development and Planning	2 500 332,00	1 489 727,49	60%
Total	2 538 065,00	1 527 458,66	60%
Vote 2: Financial Services	Total Budget	Year to date Spending	Actual Year to date Spending (%)
Finance	50 000,00	48 683,47	97%
Supply Chain Management	1 050 000,00	1 023 001,30	97%
Total	1 100 000,00	1 071 684,77	97%
Vote 3: Corporate Services	Total Budget	Year to date Spending	Actual Year to date Spending (%)
Human Resources	6 955,00	6 954,78	100%
Information Technology	1 139 245,00	1 137 243,36	100%
Director: Corporate Services	8 800,00	7 992,94	91%
Total	1 155 000,00	1 152 191,08	100%
Vote 4: Technical Services:	Total Budget	Year to date Spending	Actual Year to date Spending (%)
Building Control	6 000,00	3 819,00	64%
Project Management Unit	609 000,00	567 071,26	93%
Fleet Management	4 156 181,00	4 151 204,55	100%
Property Services	85 000,00	59 955,00	71%
Solid Waste Removal	1 285 141,00	1 187 681,66	92%
Sewerage	11 780 652,00	10 889 760,88	92%
Waste Water Treatment	800 000,00	798 266,17	100%
Storm Water Management	1 775 059,00	1 775 059,00	100%
Water Distribution	1 170 000,00	735 298,99	63%
Water Treatment	11 664 755,00	10 864 429,19	93%
Roads	8 406 695,00	6 753 021,97	80%
Electricity	37 845 168,00	33 729 195,42	89%
Total	79 583 651,00	71 514 763,09	90%
Vote 5: Community Services	Total Budget	Year to date Spending	Actual Year to date Spending (%)
Libraries and Archives	29 493,00	29 492,74	100%
Community Halls and Facilities	439 433,00	439 432,37	100%
Cemetaries	639 951,00	639 930,15	100%
Housing Core	643 100,00	643 093,23	100%
Traffic Control	662 641,00	659 365,55	100%
Fire Fighting and Protection	476 844,00	476 837,06	100%
Community Parks	619 086,00	619 082,93	100%
Sport Grounds and Stadiums	1 374 027,00	1 374 018,53	100%
Swimming Pools	300 000,00	300 000,00	100%
Holiday Resorts	90 481,00	90 479,16	100%
Total	5 275 056,00	5 271 731,72	100%
BM Capital Spending for 2024-2025	Total Budget	Year to date Spending	Actual Year to date Spending (%)
	89 651 772,00	80 537 829,32	89,83%

10. Variation orders within 1 to 20%

There were two variation orders for the period to report on.

Number	Tender/FQ number	Tender Awarded	Amount requested	% Exceed	Service Provider Name	Approved
2024/2025						
37	8/3/43-2023	17.04.2024	R284 630,60	7,89%	Westland Construction	Yes
38	8/3/33-2024	08.11.2024	R2 800 000,00	9,04%	Adenco Construction	Yes

11. Municipality Website

All Bids, formal written quotations awarded and purchases above R100 000 are published monthly on the Bergrivier website.

The Service Level Agreement Register is published monthly on the Bergrivier website.

The Contract Register is published monthly on the Bergrivier website.

The monthly Supply Chain Management report is published on the Bergrivier website.

12. Unsolicited bids

There were no unsolicited bids for the period 1 July 2024 to 30 June 2025.

13. E-Tender Portal

The e-tender portal is from time to time offline, all tenders are published on the e-portal.

14. Irregular, Fruitless and Wasteful expenditure

Section 32(1) (c) of the Municipal Finance Management Act (MFMA) determines that any political office-bearer or official of a municipality who deliberately or negligently committed, made, or authorized an irregular expenditure, is liable for that expenditure.

Section 32(2)(b) of the MFMA further determines that a municipality must recover irregular expenditure from the person liable for that irregular expenditure unless the irregular expenditure, after investigation by a committee of council, is certified by the council as irrecoverable and to be written-off.

Bergrivier SCM Policy section 36(3) prescribes that all identified possible unauthorized, irregular, fruitless and wasteful expenditure (UIFWE) must be referred to Municipal Public Accounts Committee (MPAC) for investigation and MPAC must make recommendations with exceptions of minor breaches ratified by the Accounting Officer. Thus, by legislation irregular expenditure must be disclosed in Annual Financial Statements (AFS). If not certified by Council to be written off the closing balance will lead to an audit exception, that if material in nature. Further it could lead

To a qualified audit outcome.

For the period July 2024 to June 2025 there were the following matters to report.

REGISTER FOR IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE							
ACCUMULATIVE REGISTER FROM 2023/2024 TO 2024/2025							
Transaction details				Person Liable (Official or Political Office Bearer)	Approved or recovered	Status	
Date of	No	Amount	Description of Incident			IRREXP	Section 32 Comm
2024/2025							
15/10/2024	1	46 600,00	Brought forward - previous financial year COMAF	Council	-46 600,00	x	x
1/7/2024	2	3 794 636,72	Contour - July & August 2024 payment without a contract -pending	Finance Department	-2 558 263,62	x	x
30/11/2024	3	11 014 882,55	Telkom - not a state entity	Corporate Services	-11 014 882,55	x	x
30/11/2024	4	183 610,00	Less than three quotations	All Departments	-183 610,00	x	x
30/11/2024	5	710 530,00	Total population of COMAF 2 - previous year	All Departments	-710 530,00	x	x
May-25		93 592,20	Housing subsidy paid incorrectly	Community Services	-93 592,20	Recover	
		590 153,16	Medical Deductions recovered incorrectly for adult dependants	All Departments	-	Recover/Investigate	
		16 434 004,63			-14 607 478,37		

15. Virements

Reporting of virements for the financial year 2023-2024 for the months from 1 July 2024 to 31 December 2024 below is a total of R12 396 074.

Month	Total
July 2024	0
August 2024	R12 000
September 2024	R23 000
October 2024	R12 020 608
November 2024	R340 466
December 2024	R0
January 2025	R256 890
February 2025	R0
March 2025	R183 618
April	R248 281
May	R118 990
June	R1 345 100
TOTAAL	R14 548 953

16. Establishment of a functional SCM unit

The establishment of a functional SCM unit (centralized or decentralized) will most certainly assist with compliance to legislative requirements, however, the following needs to be considered to ensure effective service delivery to operational departments:

14.1. Establishment or assigning procurement responsibilities to appropriate persons. Operational departments will then only submit their resource requirements as per an approved requisition.

14.2. Refining of supplier database to include primary and secondary business portfolios.

14.3. Utilization of the current Central Supplier database of National Treasury – all requisitions submitted is being verified.

14.4. Use current item prices as standard prices and refine to align with market related prices.

14.5. Vendor performance criteria should be part of standard SCM documentation highlighting the sanctions for non-compliance. This is done by the User Departments if a Service Level Agreement is in place. The invoice submitted is accompanied with an evaluation sheet that is completed with the confirmation of goods/services received and submitted to the SCM Unit to monitor the

performance of Suppliers. **This is still a challenge to receive the evaluations from the user departments but still needs to improved.**

16.6. Assist with reporting templates to ensure synergy in dealing with same matters by different directorates and/or departments.

16.7. Developing standardized specifications for day-to-day material and/or service provider usage.

16.8 A folder was opened on a separate drive that Community and technical services can have access to all tender information, they also must place the site meeting minutes, penalties issued, BOQ, final close-out report etc on this drive.

17. Problem statement

In terms of this report, it can be assumed that there are challenges in the Supply Chain Management processes which are in many instances like the previous financial year. Many of the previous year's recommendations have not been implemented i.e., Contract Management and measuring of the Suppliers/Contractors performance.

Currently the supply chain functions are fragmented through the various departments and not all officials are conversant with the latest legislation and directives of the National Treasury.

It was and is highly recommended that the responsibility and accountability of the supply chain function of purchasing be under the Supply Chain Management Unit to ensure uniform compliance as well as effective delivery, but currently we encounter problems of change management, and some items are budgeted under the various departments, and we cannot procure the items, the procurement is done at various departments.

The biggest concern is that SCM is the control of contract management register, and the Managers are responsible for contract management on projects, but we require normally at year end information and then it is time consuming to collect all information to ensure unbundling is done in time to prepare for financial statements. (This is why we opened a share drive that is not used by all departments to save their information relating to projects. This is also because ICT has not given all departments access to the server).

Procurement processes were done very late in the financial year – and we have no control over the market, and we do not know if we will always get responsive bidders. Therefore, it is recommended that the procurement processes should start in the previous financial year.

18. Cost containment

In terms of Regulation 15(2) of the Municipal Cost Containment the Municipality does report in the Section 52 quarterly report on the savings due to cost containment measures.

19. Recommendation

1. That Council consider and take note of the Supply Chain Management implementation report for the period 1 July 2024 to 30 June 2025 representing the first quarter of the 2024/2025 financial year.
2. That the report be made public in accordance with section 21A of the Municipal Systems Act.