



## SUPPLY CHAIN MANAGEMENT REPORT – AUGUST 2023

### **1. BACKGROUND**

In accordance with the provisions of circular 62, promulgated under the provisions of the Municipal Finance Management Act, 56 of 2003, National Treasury has issued guidelines pertaining to Supply Chain Management practices aimed at inter alia enhancing compliance, improving accountability and transparency, updating measures required to combat fraud, promoting transparency in supply chain management practices.

Accordingly, the Elundini Local Municipality has enhanced overall demand management practices and oversight functioning on all projects through the introduction of a comprehensive demand management plan (procurement plans) aimed at formally documenting all procurement plans with associated timeframes linked to the approved budget, and providing Council with Monthly and quarterly report on performance linked to the planned procurement process.

This is a summative report on project management activities relating to all projects that have migrated from the demand plan to implementation.

### **2. LEGAL/STATUTORY REQUIREMENTS**

MFMA Act 56 of 2003

PPPFA Act 5 of 2000

ELM SCM Policy

SCM regulations

### **3. PROJECT MANAGEMENT ACTIVITIES**

'Annexure 1' - Comprehensive report for project activities above R200 000 for AUGUST 2023

'Annexure 2' - Comprehensive report for project activities below R200 000 for AUGUST 2023

**4. BID ADMINISTRATION AND CONTRACT MANAGEMENT REPORT – AUGUST 2023**

**a) PURPOSE.**

Pursuant to Section 116 of MFMA, the Contract Management of the Municipality is responsible for ensuring that contracts are properly implemented, managed, enforced, monitored and reported on. The reports seek to table for notation a report on the implementation of the 2022/2023 Contract Management, together with a report on the performance of projects commissioned.

**b) BIDS SUMMARY – BIDS AND CONTRACT MANAGEMENT (ABOVE R200 000) AUGUST 2023 as per ‘annexure 1’**

<b>Status</b>	<b>No of Bids</b>	<b>Awarded bid</b>	<b>Awarded to</b>
<b>Bids awarded In AUGUST 2023</b>	0	None	
<b>Bids Outstanding Evaluation as at AUGUST 2023</b>	<b>No</b>	<b>Bid Name</b>	<b>Status Quo</b>
	14	<ol style="list-style-type: none"> <li>1. Framework Contract for the Construction of Sport Fields</li> <li>2. Framework Contract for Professional Services: Land Surveying</li> <li>3. Framework Contract for Professional Services: Geotechnical</li> <li>4. Framework Contract for Professional Services: Architectural</li> <li>5. Supply and delivery of personal protective clothing</li> <li>6. Supply and delivery of super double cab</li> <li>7. Supply and delivery of medium and low voltage electricity material, tools equipment and meters</li> <li>8. Provision of free basic energy</li> <li>9. Update and review of a municipal spatial development framework</li> <li>10. Provision of ICT Governance and policy development</li> <li>11. Provision of Travelling management service</li> <li>12. Property Development plan and feasibility study for nqanqarhu, Ugie and Tlokoeng investment properties and site</li> <li>13. Supply and delivery of hawker stalls</li> <li>14. Update and review of a municipal spatial development framework</li> </ol>	<p>BEC still busy with the process</p> <p>BEC still busy with the process</p> <p>BEC still busy with the process</p> <p>BEC still busy with the process</p> <p>BEC still busy with the process</p> <p>BEC still busy with the process</p> <p>BEC still busy with the process</p> <p>BEC still busy with the process</p>
<b>Pending Adjudication as at AUGUST 2023</b>	<b>No</b>	<b>Bid Name</b>	

	1	Provision of translation and editing services
<b>Advertised in AUGUST 2023</b>	<b>No</b>	<b>Bid Names</b>
	11	<ol style="list-style-type: none"> <li>1. Supply and delivery of personal protective clothing</li> <li>2. Supply and delivery of super double cab</li> <li>3. Supply and delivery of medium and low voltage electricity material, tools equipment and meters</li> <li>4. Provision of free basic energy</li> <li>5. Update and review of a municipal spatial development framework</li> <li>6. Provision of ICT Governance and policy development</li> <li>7. Provision of Travelling management service</li> <li>8. Property Development plan and feasibility study for nqanqarhu, Ugie and Tlokoeng investment properties and site</li> <li>9. Supply and delivery of hawker stalls</li> <li>10. Update and review of a municipal spatial development framework</li> <li>11. Provision of advertisement of tenders, vacancies and other article in the print media</li> </ol>
<b>Projects Refer for Re-Advert in AUGUST 2023</b>	<b>No</b>	<b>Bid Names</b>
	0	None
<b>Service Level Agreements Outstanding finalisation</b>	<b>No</b>	<b>Company Name</b>
		None
		<b>Description</b>
		<b>Reasons for not being fully signed</b>
<b>Extension of Contract</b>	<b>No.</b>	<b>Bidders Name</b>
	1	Conversion of Stores to Municipal office in Nqanqarhu
		<b>Contract name</b>
		Imivuzo Trading
		<b>Expired date</b>
		03 March 2023
		<b>Revised expired date</b>
		10 August 2023
<b>No of related Party awards</b>	0	None
<b>Awards to persons in the organ of the State</b>	0	None
<b>Queries in terms of PAIA &amp; Section 49 of SCM</b>	0	None

<b>Regulations</b>		
<b>Variations</b>	0	None
<b>Cancelled bids</b>	0	None
<b>Deviations</b>		None
<b>Regulation 32 Contracts</b>		None

5.Bids below 200 000- AUGUST 2023

Status	No of Bids	Description	Awarded to	Location
Bids awarded – less than 100 000	1	Supply and Delivery of Tools and Equipment None	Hustlers in Action	Matatiele
Bids awarded – above 100 000	3	Supply and Delivery of cartridges for SCM Offices Refurbishment Of Ntokozweni Community Hall Events Management	Copy World Laruna Trading General Services Evotech Technology	East London Nqanqarhu Matatiele
Regulation 17 (c) Transactions ( Less than 3 Quotes)	2	See table below		
Deviations – less than 30 000	2	Detailed in annexure 2		
Deviations – Above 30 000	5	Detailed in annexure 2		

Regulation 17 (c) Transactions ( Less than 3 Quotes)

COMPANY NAME	DESCRIPTION	REASON FOR ACCEPTING ONE QUOTE	AMOUNT	SPECIFIC GOALS AND POINTS ALLOCATION	DEPARTMENT & LOCALITY
1.Resilient Servers and Networks	Supply,renewal and deployment of various software licences and IIS authentication	Proper SCM processes were followed and only one submission. Due to urgency of this service, considering the one submission and the municipality has resolved to appoint this service provider . Principles of section 217 of the Constitution of South Africa were considered as it is deemed that the process of re-advertising will be unfair to the bidders who submitted the quotation.	R121 390.18	EME or QSE which is at least 51% owned by black people, youth, women, with disability and local business  Only 51% black owned company  Points = 5	Corporate Services Department  East London
2.Aphrosee (Pty) Ltd	Provision of advertising tender, vacancies and	Proper SCM processes were followed and only two submissions. Due to urgency of this service, considering	R 113 875.17	EME or QSE which is at least 51% owned by black people with a	Budget and Treasury Office

	<p>other articles in the printing media for two months</p>	<p>the two submissions and the municipality has resolved to appoint this service provider. Principles of section 217 of the Constitution of South Africa were considered as it is deemed that the process of re-advertising will be unfair to the bidders who submitted the quotation.</p>		<p>women, youth and local business</p> <p>100% black owned with 51% women, no youth and not local business</p> <p>Points = 15</p>	
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**Section 110 Appointment**

**None**

**IMPLEMENTATION OF CAPITAL PROJECTS**

**ELECTRICITY SECTION**

**1. INEP PROJECTS THAT ARE COMPLETED AND STILL UNDER DEFECTS LIABILITY PERIOD.**

Item no.	Contractor	Project name	Project status
	TM Consortium (PTY) LTD	Construction of medium, low voltage and household's 131 connections at Elenge Village	The contractor is on defects liability for a period of 12 Months
	LT Ntloko Electrical Contractors	Construction of medium, low voltage and household's 32 connections at Khohlolong village with Link line	The contractor is on defects liability for a period of 06 Months
	Maboka Contractors	Construction of medium, low voltage and household's 76 connections at Ulundi	The contractor is on defects liability for a period of 12 Months
	Maboka Contractors	Construction of medium, low voltage and household's 112 connections at Bethula	The contractor is on defects liability for a period of 12 Months

**2. MUNICIPAL REVENUE PROJECTS THAT ARE COMPLETED AND STILL UNDER DEFECTS LIABILITY PERIOD.**

Item no.	Contractor	Project name	Project status
	Siya and Aya Engineering.	Installation of streetlights in various streets in ward 4 AND high mast lights in various townships in Mount Fletcher	The contractor is on defects liability for a period of 06 Months

**PMU SECTION**

**3. MIG PROJECTS THAT ARE COMPLETED AND STILL UNDER DEFECTS LIABILITY PERIOD.**

Item no.	contractor	Duration	Project name	Project status
1	Waving High	Project start date 28 March 2022 to 31 January 2023 Amount: R 2 487 026.24 Extension of time: 31 January 2023 to 26 May 2023	Sophonia Bridges X 2	The site establishment is 100%. The letter of extension specified that, failure to complete the project as per the specified time will result in penalties being applied as per the terms of this contract. The contractor fails to complete the work before 26 May 2023. After the 26 May 2023 there was no extension of that was submitted. The overall progress is 93%

#### 4. MIG PROJECTS THAT IN PROGRESS

Item no.	Contractor	Project name	Project status
	Moboka JV	Sonwabile streets phase 1 and 2 remedial works	The contractor is on defects liability for a period of 12 Months
	Kuyazanywa	Kuyasa Pre-school	The contractor is on defects liability for a period of 06 Months
	Milwa Construction	Construction of Chevy chase/Nkangala access Road	The contractor is on defects liability for a period of 12 Months
	Manong Construction	Construction of Bethula to Mthorwana access Road in WARD 4	The contractor is on defects liability for a period of 12 Months
	Miliso JV Mpumalanga	Upgrade of Maclear street cluster 1 up to Phase 3	The contractor is on defects liability for a period of 12 Months



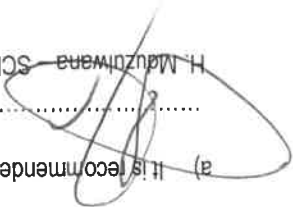
2	Freemason Construction	Project start date 09 February 2023 to 27 October 2023 Amount: 13 999 524.56	Construction of sports field phase 2	The site establishment is 100%. The overall progress on site is 83%.
3	Imvuzo Trading	Project start date 03 March 2023 to 10 August 2023 Amount: R 8 482 978.25	Conversion of Stores to Municipal office in Ngangarhu	The site establishment is 100%. Appointment of CLO, steering committee and training construction. The overall progress on site is 38%.
4	Manong Construction	Project start date 11 July 2023 to 30 May 2023 Amount: R 8 563 789.66	Surfacing of Greenfield street and stormwater phase 1	The contractor is busy with construction of site establishment.
	Milwa Construction	Project start date 04 August 2023 to 30 May 2023 Amount:	Surfacing of Mount Fletcher street and storm water	The contractor is busy with construction of site establishment
	Devo mix	Project start date 04 August 2023 to 30 May 2023 Amount: R 236 911.00	Construction of Tlokoeng Public Toilets	The contractor is busy with construction of site establishment
	Devo mix	Project start date 04 August 2023 to 30 May 2023 Amount: R 6 194 996.00	Surfacing of Ugie Rank street and storm water	The contractor is busy with construction of site establishment

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**7. RECOMMENDATIONS**

a) It is recommended that the AUGUST 2023 SCM report , Variation Order, Extensions and deviations be noted

H. Muzilwana  
SCM Manager



**ANNEXURE 1 – BIDS ABOVE 200 000**

**ADVERTISED BIDS :**

<b>No</b>	<b>Project Description</b>	<b>Bid Number</b>	<b>Closing date</b>
1	None		

**OUTSTANDING PROJECTS FOR BEC SITTING**

<b>No.</b>	<b>Project Description</b>	<b>Bid Number</b>	<b>Status</b>
1	Framework Contract for the Construction of Sport Fields	ELM-3/021/2022-2023	BEC still busy with the process
2	Framework Contract for Professional Services: Land Surveying	ELM-3/022/2021-2022	BEC still busy with the process
3	Framework Contract for Professional Services: Geotechnical	ELM-3/023/2021-2022	BEC still busy with the process
4	Framework Contract for Professional Services: Architectural	ELM-3/021/2021-2022	BEC still busy with the process
5	Supply and delivery of personal protective clothing	ELM-2/045/2022-2023	BEC still busy with the process
6	Supply and delivery of super double cab	ELM-3/052/2022-2023	BEC still busy with the process
7	Supply and delivery of medium and low voltage electricity material, tools equipment and meters	ELM-3/011/2022-2023	BEC still busy with the process
8	Provision of free basic energy	ELM-2/044/2022-2023	BEC still busy with the process
9	Update and review of a municipal spatial development framework	ELM-6/004/2023-2024	BEC still busy with the process
10	Provision of ICT Governance and policy development	ELM-	BEC still busy with the process
11	Provision of Travelling management service	ELM-2/004/2022-2023	BEC still busy with the process
12	Property Development plan and feasibility study for nqanqarhu, Ugie and Tlokoeng investment properties and site	ELM-6/002/2023-2024	BEC still busy with the process
13	Supply and delivery of hawker stalls	ELM-6/003/2023-2024	BEC still busy with the process
14	Update and review of a municipal spatial development framework	ELM-6/004/2023-2024	BEC still busy with the process

**OUTSTANDING BIDS FOR BAC CONSIDERATION**

No.	Project Description	Bid Number	Status
1	Provision of translation and editing services	ELM-1/011/2022-2023	Schedule for 07/08/2023

**AWARDED PROJECTS**

No	Project Description	Bid Number	Name of the bidder	Amount
1	None			

**PROJECTS REFER FOR RE-ADVERT**

No.	Project Description	Bid Number
1	None	

**Projects refer to BEC by the BAC**

<u>No</u>	Project Description	Bid Number
<u>1</u>	None	

**Projects refer to Accounting officer**

<u>No</u>	Project Description	Bid Number
<u>1</u>	Provision of Physical Security for the Period of Three years	ELM-4/021/2022-2023

**Service Level Agreements Outstanding Signatures**

- None

**EXTENSION OF CONTRACT**

Contract description	Contractors name	Start date	End date	Revised end date
Conversion of Stores to Municipal office in Nqanqarhu	Imivuzo Trading	03 March 2023	10 August 2023	06 September 2023

**LIMITED BIDDING**

- None

**DEVIATION:**

Bidders name	Project description	Start date	End date	Amount
None				

**PROCUREMENT FROM ANOTHER ORGAN OF THE STATE**

- None

**IRREGULAR EXPENDITURE:**

- None

**NOTICES: CONTRACT THAT WILL EXPIRE WITHIN 90 DAYS**

Contract Number	Contract Description	Start Date	End date	Awarded Supplier	Department
ELM-3/058/2018-2019	Framework contract for the construction of unpaved roads (access roads) within the Elundini Municipality Area	2020/10/19	2023/10/18	Simi Investments cc Waving High Trading	Infrastructure

**VARIATIONS**

Bid Name	Total amount	Tender	Amount for extended scope	Revised Amount	Percentage
None					

**APPOINTMENT OF THE SECOND PREFERRED BIDDER WHERE THE SERVICE PROVIDER WAS REPLACED**

- None

**ANNEXURE 2 – BIDS BELOW 200 000**

Bids less than R100, 000.00 awarded in AUGUST 2023

TENDER NAME	BID NUMBER	STATUS Awarded to:	Specific Goals	Service Provider Submission And Points Allocated	LOCALITY	AMOUNT
1. Supply and Delivery of Tools and Equipment	ELM-5/002/2023-2024	Hustlers Action in	EME OR QSE which atleast 51% owned by black people who are young	CK, & ID Copy and CSD No allocation of points, director not a youth ID no 8503145860081	Mount Fletcher	R 53 044.50
				Total Points =		10

Bids more than R100, 000.00 awarded in AUGUST 2023

TENDER NAME	BID NUMBER	STATUS Awarded to:	Specific Goals	Service Provider Submission And Points Allocated	LOCALITY	AMOUNT
1. Supply and Delivery of cartridges for SCM Offices	ELM-2/002/2023-2024	Copy World	EME OR QSE which atleast 51% owned by black people in outside region	CK and Sworn Affidavit Proof of address Points =13	East London	R111 769.42
2. Refurbishment Of Ntokozweni Community Hall	ELM-3/006/2023-2024	Laruna Trading General Services	EME OR QSE which atleast 51% owned by black people who are Local Businesses	CK, Original Sworn Affidavit. Proof of residence along with CSD. Points = 17	Nqanqarhu	R 181 439.00
3. Events Manager	ELM-6/005/2023-2024	Evotech Technology	EME OR QSE which atleast 51% owned by black people	CK, Original Sworn Affidavit and CSD report Points = 20	Matatiele	R 163 000.00

Deviations less than R30, 000.00 – AUGUST 2023

AWARDED TO	DATE OF AWARD	LOCALITY	AWARD VALUE	DEPARTMENT	Description of Goods/Services/Works	REASON FOR DEPARTMENT
1.Jacksons Isuzu	21/07/2023	Queenstown	R 11 469.51	Community services	Repairs and service of compacto truck (JVH 039 EC) at 40 000 km	Exceptional case, since this is an Isuzu manufacture truck, therefore it is crucial that it be repaired by its manufacturer as other service providers are prohibited because of the legal licensing or other requirements it will be impractical to acquire additional similar goods from different service provider.
2.Kempston Driver Academy	15/08/2023	East London	R 400.00	Infrastructure Planning and Development	Training of dangerous goods renewal for three (3) employees	Exceptional case due to one training provider responded to the email we sent, saying that they were not accredited to provide the training service for dangerous goods, therefore it is against this background that Kempston Driver Academy be appointed as they are accredited on the requested training for one artisan and two mechanics



Deviations more than R30, 000.00 AUGUST 2023

AWARDED TO	BID NUMBER	DATE OF AWARD	LOCALITY	AWARD VALUE	Description of Goods/Services/Works	REASON FOR DEPARTMENT
1.Jacksons Isuzu	ELM-3/032/2023-2024	28/07/2023	Queenstown	R 51 836.08	Repairs and service of Isuzu KB300 (HVZ 838 EC) at 210 000 KM	Exceptional case as this vehicle was due for service and repairs was done since other parts need to be replaced.This vehicle need to be repaired by manufacture to ensure subsequent maintenance, amendments or modification by other supplier are prohibited, restricted because of guarantee and it will be impractical to require services from another supplier
2.Bathethwa Security Services	ELM-4/049/2022-2023	15/06/2023	Esikhawini	R 84 870.00	Provision of Physical Security Services for a period of one month in Nqanqarhu	Exceptional case due to contracts for these services that are ending by the month of July, therefore the seven days RFQ for one month for all three towns will be above R200 000 threshold.This is a contingency plan to mitigate the risk should the 36 months bid contract is not awarded
3.Bathethwa Security Services	ELM-4/049/2022-2023	15/06/2023	Esikhawini	R 155 595.00	Provision of Physical Security Services for a period of one month in Ugie	Exceptional case due to contracts for these services that are ending by the month of July, therefore the seven days RFQ for one month for all three towns will be above R200 000 threshold.This is a contingency plan to mitigate the risk should the 36 months bid contract is not awarded
5.Bathethwa Security Services	ELM-4/049/2022-2023	15/06/2023	Esikhawini	R 253 920.00	Provision of Physical Security Services for a period of one month in Tlokoeng	Exceptional case due to contracts for these services that are ending by the month of July, therefore the seven days RFQ for one month for all three towns will be above R200 000 threshold.This is a contingency plan to mitigate the risk should the 36 months bid contract is not awarded

Regulation 17 (1) (c) Transactions – AUGUST 2023

COMPANY NAME	DESCRIPTION	REASON FOR ACCEPTING ONE QUOTE	AMOUNT	SPECIFIC AND ALLOCATED GOALS POINTS	DEPARTMENT & LOCALITY
1. Resilient Servers and Networks	Supply, renewal and deployment of various software licences and IIS authentication	Proper SCM processes were followed and only one submission. Due to urgency of this service, considering the one submission and the municipality has resolved to appoint this service provider .Principles of section 217 of the Constitution of South Africa were considered as it is deemed that the process of re-advertising will be unfair to the bidders who submitted the quotation.	R121 390.18	EME or QSE which is at least 51% owned by black people, youth, women, with disability and local business  Only 51% black owned company  Points = 5	Corporate Services Department  East London
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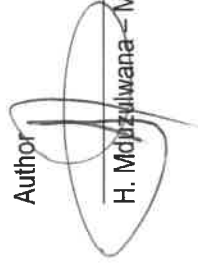
Section 110 Appointments – AUGUST 2023

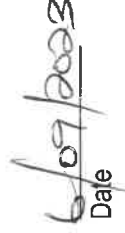
- None

Irregular Expenditure – AUGUST 2023

- None

Author

  
H. Mdjizulwana – Manager SCM & Assets

  
Date