



MOHOKARE
LOCAL MUNICIPALITY

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REPORT TO MAYOR ON THE IMPLEMENTATION OF SCM POLICY IN TERMS OF REGULATION 6(3) OF THE SCM REGULATION OF 30 MAY 2005.

**SUBJECT: REPORT OF THE IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT
POLICY: (THIRD QUARTER)**

1. PURPOSE OF THE REPORT

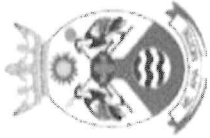
The purpose of this report is to inform the Mayor regarding the implementation of the Supply Chain Management (SCM) Policy adopted on 30 May 2024, in order to perform oversight role for the 2024/25 financial year.

2. BACKGROUND

In terms of clause 6(1)(3) of the Municipal Supply Chain Regulation, 2005. The council of a municipality must maintain oversight over the implementation of its supply chain management policy. 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.

In terms of clause 6(1)(3) of the Municipal Supply Chain Regulation, 2005. The reports of a municipality on the implementation of the Supply Chain Management Policy must be made public in accordance with section 21A of the Municipal Systems Act.

Section 21A of the Local Government Municipal Systems Act, No. 32 of 2000, stipulates that all documents with a public interest must be conveyed to the community by displaying the documents on the municipality's website



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3. DISCUSSION

3.1 Adoption of SCM Policies in terms of SCM Regulation 3(1)

The SCM Policy was adopted on the 30 May 2024 by Council for 2024/2025 financial year.

3.2 Capacity of SCM Unit

Number of funded post	Number of filled post	Number of vacant post	Date to fill Vacant Post	Comments
4	3	1 (Demand and Acquisition Officer)	During the 2024/2025 Financial Year	The Municipality is currently rotating interns within the SCM Unit and the vacant post will eventually be filled

3.3 Competitive bidding process

Tenders awarded: (Annexure A)

Description	Value of tenders awarded	Supplier Name	Date awarded	Comments
Re-Advert: The Completion of the Rouxville/Roleleathunya Water Treatment Works(WTW)	R 20 892 989.46 VAT Inclusive	Mobeni Integrated Systems	10 January 2025	The project is for a period of 8 months for completion of the Water Treatment Works

The Municipality made only an award to **Mobeni Integrated Systems** during the third quarter of 2024/2025 Financial Year



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3.4 Deviations (Annexure B)

Description	Supplier Name	Value for deviations	Reason for deviations
Repair and Water Treatment Plant	Bohlale Ba Thuto	R 126 671,75 (Not a VAT Vendor)	36 (1) v - in any other exceptional case where it is impractical or impossible to follow the official procurement processes
Electricity Maintenance	Transfix Transformers	125 350,00 VAT Inclusive	36 (1) i in an emergency
Vehicle Maintenance	SS Venter	R 7 990.00 (Not a VAT Vendor)	36 (1) v - in any other exceptional case where it is impractical or impossible to follow the official procurement processes (Strip and Quote)
Flight (Subsistence and Travelling)	Cem Air	R 3 873,38 VAT Inclusive	36 (1) v - in any other exceptional case where it is impractical or impossible to follow the official procurement processes (The Municipality doesn't have a Travel Agency Contract)

Please see attached deviation register for third quarter of the 2024/25 Financial Year.



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3.5 Irregular Expenditure (Annexure C)

Description	Supplier Name	Total Amount	Reason for irregular
Electricity Maintenance	Lwasi Enterprise	R 489 900.00 VAT Inclusive	SCM processes not followed. that all requirements in excess of R 300 000 (VAT included) that are to be procured by means of Competitive Bidding Processes
Transportation of Biological Assets	J C Transport	R 7 500.00 (Not a VAT Vendor)	SCM processes not followed. That at least three quotations be sourced for procurement of goods or service above the value of R 2 000,00
Water Testing	University of The Free State	R 110 564,45 VAT Inclusive	Normal SCM Process not followed, no competitive bidding processes followed. No Contract or Service Level Agreement in place, Free State has only two accredited Laboratories
Transportation of Biological Assets	Rapelang Orapeleng	R 11 792.00 (Not a VAT Vendor)	SCM processes not followed. That at least three quotations be sourced for procurement of goods or service above the value of R 2 000,00
Accommodation (Subsistence and Travelling)	Golden Gate Hotel	R 46 465,72 VAT Inclusive	SCM processes not followed. 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 requirements of regulation 17, be advertised for at least seven days on the website and an official notice board of the municipality

Please see attached irregular register for Third quarter of the 2024/25 Financial Year



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3.6 Procurement through SCM Regulation 32

n	Description	The name of the Entity that SCM Regulation 32 was sourced from.	Service Provider	Date Sourced	The total value of tenders	Comments

The Municipality did not award/acquire any goods, works and / or services through Regulation 32 during the Third quarter of 2024/205 financial year.

3.7 eTender Publication Portal in terms of Circular 83

Description	The number of tenders published.	The number of tenders cancelled.	The number of tenders re-advertised.	The number of tenders awarded.	Comments
Etender Adverts	1	0	0	0	The Municipality advertised only one tender during the third quarter of 2024/25 Financial Year.



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3.8 Contract Performance Management

All contracts of the Municipality that are awarded through a competitive bidding process are reviewed and monitored quarterly.

3.9 FMCMM

A self-diagnostic tool that assists municipalities and municipal entities by automatically generating action plans for addressing internal control deficiencies. The FMCMM is monitored monthly and the Supply Chain Management unit will be assessed in March 2025

3.10 Audit findings

The Audit findings are resolved on a monthly basis.

4. Recommendation

Honourable Mayor to take note of the SCM report for (Third Quarter) 2024/25 Financial Year.

Compiled by:

Mr. T Lebetse
Senior Supply Chain Accountant

10 April 2025

Date

Reviewed by:

Mr. V. Litabe
Acting: Chief Financial Officer

10 April 2025

Date

Approved by:

Mr. N.T. Makgalane
Acting: Municipal Manager

10 April 2025

Date