

ITEM BUDGET AND TREASURY OFFICE

SUPPLY CHAIN MANAGEMENT REPORT FOR THE 1st QUARTER (01 July 2023 – 30 September 2023)

PURPOSE

To report progress on the implementation of Supply Chain Management Report of procurements approved by the Accounting Officer (AO) in terms of Local Government: Municipal Supply Chain Management Regulation 6 (3) and Supply Chain Management Policy (SCMP)

BACKGROUND

Section 74(1) and 104 (10)(b) of the Municipal Finance Management Act (MFMA) prescribes the following regarding general reporting obligations: “The Accounting Officer of a municipality and municipal entity must submit to the National Treasury, the Provincial Treasury, the department for Local Government in the Province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required”. Regulation 36(2) of the Supply Chain Management Regulation and Circular 34 of the MFMA gives the Accounting Officer the responsibility to record and report all deviations and procurement above R 100 000.

The Supply Chain Management Policy was adopted by Council with the aim to increase participation of business from previously disadvantaged groups and locally based businesses in the procurement and disposal of goods and or obtaining of services, as part of Government’s plan for economic growth and development. The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business.

DISCUSSION

- Table A1 provides summary of procurement activities.
- Table A2 Procurement between R 2 000 and R 30 000
- Table A3 provides the details on contract services
- Table A4 provides for details of deviations
- Table A5 provides for details of variations
- Table A6 provides a summary of procurements above R 200 000.00
- Table A6 provides a summary of procurements on awards evaluated on the PPPFA (80/20)

DISCUSSION

Table A1 Summary of procurement activities

	NUMBER	AMOUNT
90/10	None	0
80/20 (Table A6)	5	R 6 729 139.34
Procurement between R2000 and R30 000 (Table A2)		R 429 979.53
Variations (Table A5)	1	R 950 000.00
SCM Regulation 32	None	-
Contracted Services (Table A3)		R 18 853 338,00
Deviations (Table A4)	2	R 849 370.50
Quotations between R30K – R200k	None	-
Quotations between R30K – R200k Advertised	3	-
Tenders advertised	3	-
Tenders awarded (Table A6)	5	R 6 729 139.34
Tenders per average/rates (Table A6)	3	-
Tenders cancelled	None	-
Tenders referred back	None	-

Table A2 Procurement between R 2 000 and R 30 000

The total transaction value of procurement made between R 2 000 and R 30 000 period 01 July 2023 – 30 September 2023 amount to R 429 979.53

NO	NAME OF SUPPLIER	DESCRIPTION OF GOODS/ OR SERVICES	AMOUNT EXCLUDING VAT	AMOUNT INCLUDING VAT	LOCATION
1	JMMothopeng Trading Pty Ltd	Catering for Chief Fire Forum Meeting (Breakfast and Lunch)	R 4 760.00		Potchefstroom
2	Sizakabi Trading (Pty) Ltd	Fruit packs and water (x 100) for evacuation at Justice Otto Old Age Home	R 6 500.00		Khuma
3	Tshiamohapi Business Enterprise (Pty) Ltd	Catering for Mayoral IMBIZO on 21/07/2023	R 28 500.00		Z Block House 464
4	Tigane Trading Pty Ltd	Lunch and Simulation for Awareness Campaign (DRM) 28/07/2023	R 16 400.00		Tigane
5	Good Cleaners Trading Enterprise Pty Ltd	Resources for Cholera Awareness Campaign (fridge magnets A3 posters)	R 29 880.00		Kanana
6	Ellaton Mining Supplies Signs	Procurement of resources for Emergency Evacuation Drill (super sound alarm and fluid for smoke machine)	R 7 644.00		Ellaton
7	Philly Solutions (Pty) Ltd	Procurement of Resources for Pre-school in Ventersdorp (Cleaning materials, paints, rollers and paint brushes)	R 15 440.00		Orkney
8	Gabong Trading and Projects	Procurement of Stationery and plastic bottles branded for Community Based Disaster Risk Assessment	R 12 575.25		Jouberton
9	Mgeniso Holdings (Pty) Ltd	Catering for Community Based Disaster Risk Assessment on 22-24/08/2023	R 20 250.00		Tshing

10	Rio Hotel Casino and Convention Resort	Conference package including venue, P A system, breakfast and lunch for introductory visit -National DDM Champion to Dr KKDM on 28/08/2023	R 29 600.00		Klerksdorp
11	Africa and Beyond Travel CC	Accommodation for 4 Official attending in North West Government Tourism Peer Learning Network Session in Mafikeng	R 8 568.00		Klerksdorp
12	Africa and Beyond Travel CC	Accommodation for Internal Audit for Final Assessment of PIA Writing Mafikeng	R 7 310.00		Klerksdorp
13	O A Mokone Construction CC	Catering for African Traditional Medicine on 17/08/2023 at M/Hills	R 9 900.00		Tsweleng
14	Tshepiso Mamello Investments (Pty)	EHS Awareness Campaign Resource and Cleaning Materials	R 29 565.00		Orkney
15	Moloko NL Distributors and Trading Pty	Procurement of 50 Fire Extinguisher Balls for DRM	R 29 000.00		Alabama
16	About Profit (Pty) Ltd	Groceries for all departments	R 76 075.50		Ellaton
17	Ina Ethe Dreams General Trading (Pty) Ltd	Arch Lever Files (Large x 400), A4 Arch Lever Files (Small x 200) and bottled water 90 cases	R 66 812.50		Potchefstroom
18	Mamotshabi Business Solution (Pty) Ltd	A4 Copy Paper x 120 boxes	R 62 700.00		Jouberton
19	Africa and Beyond Travel CC	Accommodation for MMC – SALGA NW Provincial Members Assembly held in Vryburg 01-02/08/2023	R 1 512.00		Klerksdorp

20	Takalani Sadiki Business Enterprises CC	Transportation of 90 SMME's (4 x 22-Seater with trailer) from Matlosana Local Municipality, Ventersdorp for SABS Community Outreach on the 11/08/2023	R 27 300.00		Klerksdorp
21	Reakgona Travel Service and Projects	Accommodation for 2 EHP's attending Air Pollution Governance Lekgotla in Polokwane, Limpopo (03-08/09/2023)	R 22 175.70		Groblesdal
22	Reakgona Travel Service and Projects	Accommodation for 3 LED officials attending Stakeholder Consultation workshop in Boksburg from 06-08/08/2023	R 13 301.82		Groblesdal
23	Reakgona Travel Services and Projects	Accommodation and a shuttle for 2 IA officers attending training at Cradle of Grace	R 21 010.50		Groblesdal
24	Tmoleme Logistics (Pty) Ltd	Catering for Military Veterans (70) Coordination Induction on 02/08/2023 and the catering for Council Meeting (60) on the 03/08/2023	R 21 450.00		Jouberton
25	Reakgona Travel Service and Projects	Accommodation for MMC and Manager Technical attending MIS in Kempton Park 17-18/08/2023	R 4 926.60		Groblesdal
26	Africa and Beyond Travel CC	Accommodation for CPMD at WITS University from 15-18/08/2023	R 5 783.40		Klerksdorp
27	Reakgona Travel Service and Projects	Accommodation for 5 officials attending EPV Consultation in Rustenburg from 11-12/07/2023	R 11 084.85		Groblesdal

28	Africa and Beyond Travel CC	Accommodation for 5 officials attending CIGFARO Conference at Cape Town (23-27/10/2023)	R 79 128.00		Klerksdorp
29	S A Goxo (Pty) Ltd	Catering for Council Meeting 30/08/2023	R 10 440.00		Jouberton
30	Gopola Tiro (Pty) Ltd	Catering and simulation for Be Safe Awareness Campaign on 24/08/2023	R 18 100.00		Lebaleng
31	Kagelelo Holdings (Pty) Ltd	Catering for Community Services held on 30/08/2023 in Ventersdorp	R 10 750.00		Tshing
32	Plus 26 Trading Enterprise	Catering for Budget Steering Committee Meeting on 11/08/2023	R 5 115.00		Klerksdorp
33	Africa and Beyond Travel CC	Accommodation for Manager PMS attending University of Pretoria from 16-22/07/2023	R 11 340.00		Klerksdorp
39	Reakgona Travel Services and Projects	Accommodation for Speaker, driver and protector, 3 MMC (31/07-01/08/2023) and accommodation for the MM attending SALGA NW Provincial Members Assembly (31/08-02/09/2023)	R 33 384.96		Groblesdal
40	Africa and Beyond Travel CC	Accommodation for 4 officials attending Financial Year End and Financial Statement handover ceremony in Rustenburg (31/08-01/09/2023)	R 7 711.20		Klerksdorp
		Grand Total	R 429 979.53		

Table A3 CONTRACTED SERVICES FOR DR. KENNETH KAUNDA DISTRICT MUNICIPALITY 01 July 2023 – 30 September 2023

CONTRACT REGISTER – 2023/2024

The municipality has entered into contracts which imposed financial obligations on the municipality beyond a financial year i.e., 12 months, most of these contracts are long term contracts, meaning that the duration period exceeds 12 months. Below is a list of all contracted services for the Dr. Kenneth Kaunda District Municipality. The total Contract Register amount is R 18 853 338.00. Refer to Table A3 below.

No	Contractor Name	Commence Date	Expiry Date	Services	Contract Amount	Expenditure 1 July 2023- 30 September 2023	Status	Responsible dept/official	Comments
1	Matlosana City Council	01-02-2002	Until notice	Building Rental	R 61 408.34	R 481 194.61	Current	Corporate Services	Current
2	Business Connexion	01-07-2022	30-06-2023	Software – Venus (SOLAR SYSTEM)	Lease agreement amount for 2023/24 FY	R 130 737.75	Current	Finance	Current
3	Old Mutual Property / Columbia Falls Properties 80 (PTY) Ltd	01-07-2021	30-07-2022	Building Rental	R 175 375.52 the amount has cahnged	R 530 962.14	Current	Corporate Services	Current
4	Samsung	13-05-2018	Month to Month	Telephone System	Charged as per minute usage	R 126 584.90	Only payment for VOIP Lines	Corporate Services	Month to Month
5	JB Marks	01-01-2018	Until Notice	Tlokwe EHS, Rental of Office Space (EHS)	Monthly Amount: R 1 200.00	R 9 650.55	Current	Community Services	Current
6	Go Big Media (Pty) Ltd	15-06-2021	14-06-2024	KKDM 14/20 Tender for the Design and Placing of Municipal Messages within the Dr Kenneth Kaunda District Local Municipalities on Street Pole Ads and Billboards for a period of three (3) years	R 4 271 211.85 Full contract amount	R 351 361.18	Current	Communications	Current
7	1. TNT Consulting (Pty) Ltd	12-07-2021	11-07-2024	KKDM 12/20 Tender for Appointment of Panel of Consultants of Financial Service Provider for	R 5 548.00 (Average Rate per hour)	-	Current	Finance	Current
	R 700 000.00								

	3. Minatlou Consultants & Accounting Services			Accounting Work over a period of Three (3) Years.		-			
8	Bubede Multi-Services T/A Lightboxnet	12-07-2021	11-07-2024	KKDM 18/20 Tenders Are Invited for The Design, Supply, Delivery, Installation, Training, Management and On-Going Support of an Electronic Document Management and Workflow Solution for Dr Kenneth Kaunda District Municipality for the period of three (3) years	R 2 418 000.00 Full contract amount	The full amount was paid as per the contract amount in the previous financial year.	Current	Corporate Services	Current
9	Lateral Unison Insurance Brokers	01-12-2021	30-11-2024	KKDM 10/21 Tender for Appointment of a Service Provider to Manage and Provide Short Term Insurance Cover for the Assets and Liabilities of Dr. Kenneth Kaunda District Municipality for a period of 3 years	R 2 916 762.00 Full contract amount	R 21 421.71	Current	Finance	Current
10	Hope Sends	13-01-2022	12-01-2025	KKDM 08/21 Appointment of a panel of service providers for the supply and delivery of protective clothing for EPWP Workers of DRKKDM as on and when required for a period of 36 months	Yr1 average price (R 15 342.06)	-	Current	LED & Planning	Current
	Motambe Cleaning				-				
	Masethole Developers				-				
	Gomolemo Trading				-				

11	Modisaitu Trading & Projects (Pty) Ltd	26-11-2021	25-11-2024	KKDM 07/21 Appointment of a panel of service providers for supply and delivery of goods for the development of SMME/Cooperatives/Tuckshop Economy and Small-Scale Farmers in the Dr KKDM for a period of thirty-six months (36)	Average mark-up rate at 25%	-	Current	LED & Planning	Current
12	Kethuthula Holdings KKDM 07/21	30-06-2022	25-11-2024	KKDM 07/21 Appointment of a panel of service providers for supply and delivery of goods for the development of SMME/Cooperatives/Tuckshop Economy and Small-Scale Farmers in the Dr KKDM for a period of thirty-six months (36)	Average mark-up rate at 25%	-	Current	LED & Planning	Current
	Gwes Group KKDM 07/21					-	Current	LED & Planning	Current
	Lethabotlale Trading and Projects KKDM 07/21					-	Current	LED & Planning	Current
	Mercycon CC KKDM 07/21					-	Current	LED & Planning	Current
13	Pono Security and Projects Pty Ltd	29-09-2022	28-09-2025	KKDM 02/22 Tender for the provision of Security Services for various Municipal Sites for a period of three (3) years	R 1 740 963.00 (Rates)	R 1 945 338.58	Current	MM's office	Current
14	1. Khuwait Group (Pty) Ltd (Scope B & C)	25-11-2022	24-11-2025	KKDM 04/22 Appointment of a panel of service providers for the supply and delivery of Dry Sanitation Materials (Bottom & Top Structures) at Rural Areas within Dr KKDM on and when	Year 1 (Average Rate) Scope A= R 18 588.22 Scope B= R 1 114.06 Scope C= R 5 532.07 Year 2 (Average	-	Current	LED & Planning	Current
	2. Sibongile Mashiya (Pty) Ltd (Scope A, B & C)					-			
	3. Mtshepana Trading (Scope					R 1 553 452.36			

	A,B & C)			basis for a period of 3 years	Rate Escalation) Scope A= 9,33% Scope B= 9,06% Scope C= 9,06% Year 3 (Avarage Rate Escalation) Scope A,B And C= 9,06%	-			
	4. Hope Sends Trading and Projects (Pty) Ltd (Scope A,B & C)								
15	1. Skotana Development (Civil)	08-11-2022	07-11-2025	KKDM 05/22 Appointment of a Panel of Professional Service Providers (Architectural/ Civil/ Structural/ Electrical/ Mechanical/ Geotechnical) for inclusion in a Database for Dr Kenneth Kaunda District Municipality for three (3) years	Price Quotations Basis	R 1 238 674.50	Current	LED & Planning	Current
	2. Rendeals Four Consulting (Civil & Structural)				-				
	3. Nevhotalu Consulting Engineers (Civil)				R 1 632 298.90				
	4. Nalko Engineering & Projects (Civil)				R 909 111.63				
	5. Mont Consulting Engineers (Civil)				-				
	6. Mhiduve (Pty) Ltd (Civil)				-				
	7. King & Associates (Civil)				-				
	8. Kabe Consulting Engineer (Civil)				-				
	9. Dirabotle Projects (Electrical & Mechanical)				R 2 922 989.50				
	10. CIVBIZ Group				R 1 492 630.00				

16	1. Zimasa Group	23-01-2023	22-01-2026	KKDM 11/22: The appointment of a panel of Travel Agencies to provide travel and accommodation facilities to the Dr Kenneth Kaunda District Municipality for a period of 3 years	At a rate of 26% per invoice	R 95 105.05	Current	BTO	Current
	2. Africa and Beyond Travel CC					R 282 875.00			
	3. Reakgona Travel Services & Projects					R 504 610.88			
17	1. Ina Ethe Dreams General Dealer	06-03-2023	05-03-2026	KKDM 12/22: Appointment of a panel of competent service providers registered on the National Central Supplier Database for the supply and delivery of goods and services for Dr Kenneth Kaunda District Municipality for a period of 36 months (as and when required)	At an average rate of 25% mark-up	R 163 287.50	Current	BTO	Current
	2. About Profit					R 76 075.50			
	3. Relate More Trading					-			
	4. Mamotshabi Business Solutions JV T D Monare Holdings					R 122 601.18			
18	KOSH Consulting JV	15-12-2022	14-12-2025	KKDM 08/22: Supply, delivery and maintenance of an integrated Financial Management System for a period of three (3) years	R 17 989 928.90 (full tender amount)	R 2 576 874.58	Current	BTO	Current
19	Korone Engineers	15-08-2023	07-11-2025	KKDM 05/22 – Appointment of a supplementary panel of professional service providers (Electrical / Mechanical) for inclusion in a Database with the current contract from appointment date to	Price Quotations Basis	-	Current	LED & Planning	Current

				end of contract date)					
20	1. Maxim Planning Solutions (Pty) Ltd	15-08-2023	14-08-2026	KKDM 21/22 - Appointment of a panel of professional service providers (architecture / townplanning & regional planning / project & programme management services; environmental and scientific services) for inclusion in a database for Dr KKDM for three (3) years	Price Quotations Basis	-	Current	LED & Planning	Current
	2. Ntiyiso Consulting Ltd					-			
	3. Civbiz – Ubukhosi JV					-			
	4. Nkanivo Development Consultants					-			
	5. Sea Projects & Engineering Pty Ltd					-			
	6. HVP Consulting Engineers					-			
21	1. Lizel Venter Attorneys	06-07-2023	05-07-2026	KKDM 20/22 – Appointment of Panel of Attorneys for the Dr Kenneth Kaunda District Municipality for a period of three (3) Years (as and when required)	R 2 200.00 (rate per hour excluding vat)	-	Current	Corporate Service	Current
	2. Modiboa Attorneys Inc	19-07-2023	05-07-2026			-			
	3. M E Tlou Inc	06-07-2023	05-07-2026			-			
	4. Shuping Attorneys	06-07-2023	05-07-2026			-			
22	Kreston North West	10-07-2023	09-07-2026	KKDM 24/22 – Appointment of Service Provider for Updating the Generally Recognised Accounting Practice (GRAP) Asset Register over a period of thirty-six (36) months for Dr KKDM	R 3 650.00 (rate per hour)	R 767 000.00	Current	BTO	Current
23	Innovation	04-08-2023	03-08-2026	KKDM 16/22 – Supply,	Full tender	R 218 500.00	Current	Office	Current

	Government Software Solutions			Delivery and Installation and Maintenance of an Automated Performance Management System for Dr KKDM for a period of three (3) years	amount R 4 339 410.00			Municipal Manager	
Grand Total (Expenditure (1 July 2023- 30 September 2023))						R18 853 338.00			

DEVIATIONS

Table A4 Below provides list of transactions procured through Regulation 36 of the SCM Regulation (Deviations) from period 01 July 2023 – 30 September 2023 . The total deviation amount to **R 849 370.50**

NO	COMPANY	DESCRIPTION	Locality %	SCM Reg. 36	AMOUNT
1	Midvaal Water Company	Water Samples to analysed the water for Matlosana, Maquassi Hills and JB Marks due the Proximity and the Turnaroud Time for Results	100%	Procurement done through Regulation 36 (1)(a)(ii) If such goods and services are produced or available from a single provider only; The Municipal health Services utilised Midvaal Water company in Stilfontein to analyse water samples for Matlosana and Maquassi areas due to the proximity and the turnaround time for results.	R 50 444.75
2	Marce Projects (Pty) Ltd	Procurement of TNT Hydraulic Tool and Equipment Set (Jaws of Life) for Dr KK Fire and Rescue Services/Maquassi Hills	100%	Procurement done through Regulation 36 (1)(a) (i) (In an emergency) Marce Projects (Pty) Ltd is the only company in South Africa that is accredited to manufacture Jaws of Life to comply with SANS 10090: Community Protection Against	R 798 925.75

				Fire, Fire Brigade Act, (Act, 99 of 1987)	
Grand Total					R 849 370.50

VARIATIONS

Table A5 Below provides list of transactions of Variation from period 01 July 2023 – 30 September 2023 . The total variation amount to **R 950 000.00**

NO	COMPANY	DESCRIPTION	Locality %	AMOUNT
1	Maine Management & Chartered Accountants	Extention of the scope to prepare the 2022/23 Annual Financial Statement for the Dr Kenneth Kaunda District Municipality Economic Agency	100%	R 950 000.00

Tenders

Table A6 provides a summary of procurements on awards evaluated on the PPPFA (80/20) from period 01 July 2023 – 30 September 2023 amount to **R 6 729 139.34**

Quotes and Tenders

Table A6 Provides a summary of procurements above R200 000.00								
No.	Description	Company	Women	Military Veterans	Youth	Disability	Locality / Township Enterprise	Amount
1	KKDM 05/22 – Appointment of a supplementary panel of Professional Service Providers (Electrical/Mechanical) for inclusion in a Database with the current contract from appointment date to end of contract date)	Korone Engineers	50%	-	-	-	100%	Price Quotations Basis
2	KKDM 21/22 Appointment of a panel of professional service providers (architecture / townplanning & regional planning / project & programme management services; environmental and scientific services) for inclusion in a database for Dr KKDM for three (3) years	Maxim Planning Solutions (Pty) Ltd	-	-	-	-	100%	Price Quotations Basis
		Ntiyiso Consulting Ltd	-	-	-	-	-	Price Quotations Basis
		Civbiz – Ubukhosi JV	-	-	-	-	100%	Price Quotations Basis
		Nkanivo Development Consultants	-	-	-	-	-	Price Quotations Basis

		Sea Projects & Engineering Pty Ltd	100%	-	-	-	100%	Price Quotations Basis
3	KKDM 20/22 – Appointment of Panel of Attorneys for the Dr Kenneth Kaunda District Municipality for a period of three (3) Years (as and when required)	Lizel Venter Attorneys	100%	-	-	-	100%	R 2 200.00 Rate p/hour
		Modiboa Attorneys Inc	-	-	-	-	-	R 2 200.00 Rate p/hour
		M E Tlou Inc	-	-	-	-	-	R 2 200.00 Rate p/hour
		Shuping Attorneys	-	-	-	-	-	R 2 000.00 Rate p/hour
4	KKDM 24/22 – Appointment of Service Provider for Updating the Generally Recognised Accounting Practice (GRAP) Asset Register over a period of thirty-six (36) months for Dr KKDM	Kreston North West	-	-	-	-	-	R 2 389 729.34
5	KKDM 16/22 – Supply, Delivery and Installation and Maintenance of an Automated Performance Management System for Dr KKDM for a period of three (3) years	Innovation Government Software Solutions	-	-	-	-	-	R 4 339 410.00

Total Amount

R 6 729 139.34

THEREFORE RECOMMENDED

- 1 That the Council take cognisance of the Supply Chain Management Report for the quarter ended on 30th September 2023 including the following:
 - 1.1 Detailed list of Procurement between R 2 000 and R 30 000 from period (01 July 2023 – 30 September 2023) (Table A2) at an amount of R 429 979.53;
 - 1.2 Contracted Services from the period (01 July 2023 – 30 September 2023) (Table A3) at an amount R18 853 338.00;
 - 1.3 Deviations from the period (01 July 2023 – 30 September 2023) (Table A4) amount to R 849 370.50;
 - 1.4 Variation from the period (01 July 2023 – 30 September 2023) (Table A4) amount to R 950 000.00;
 - 1.5 Procurement transactions above R 200 000 awarded on on 80/20 for the period (01 July 2023 – 30 September 2023) (Table A6) at an amount R 6 729 139.34; and
2. That the deviation report for the period (01 July 2023 – 30 September 2023) be submitted for condonement.
- 3.. That the 1st quarter ended 30 September 2023 report be submitted to National Treasury/Provincial Treasury in Compliance with MFMA Section 74 and Circular 34.