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# Quarterly Supply Chain Management report

Prepared in terms of the Local Government:  
Municipal Finance Management Act (56 of 2003);  
Supply Chain Management Regulations.

01 APRIL 2024/25 – 30 JUNE 2024/25  
FOURTH QUARTER REPORT

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## PART 1: QUARTERLY REPORT

### 1. LEGAL CONTEXT

#### 1.1 Municipal Finance Management Act

Section 111 of the Municipal Finance Management Act (MFMA) determines that:

*“Each municipality and each municipal entity must have and implement a supply chain management policy which gives effect to the provisions of this Act”.*

Section 112 of the Municipal Finance Management Act (MFMA) determines that the supply chain management policy must comply with the prescribed framework:

*“(1) The supply chain management policy of a municipality or municipal entity must be fair, equitable, transparent, competitive and cost-effective and comply with a prescribed regulatory framework for municipal supply chain management, which must cover at least the following—*

- (a) the range of supply chain management processes that municipalities and municipal entities may use, including tenders, quotations, auctions and other types of competitive bidding;*
- (b) when a municipality or municipal entity may or must use a particular type of process;*
- (c) procedures and mechanisms for each type of process;*
- (d) procedures and mechanisms for more flexible processes where the value of a contract is below a prescribed amount;*
- (e) open and transparent pre-qualification processes for tenders or other bids;*
- (f) competitive bidding processes in which only pre-qualified persons may participate;*
- (g) bid documentation, advertising of and invitations for contracts;*
- (h) procedures and mechanisms for—*
  - (i) the opening, registering and recording of bids in the presence of interested persons;*
  - (ii) the evaluation of bids to ensure best value for money;*
  - (iii) negotiating the final terms of contracts; and*

- (iv) *the approval of bids;*
- (i) *screening processes and security clearances for prospective contractors on tenders or other bids above a prescribed value;*
- (j) *compulsory disclosure of any conflicts of interests prospective contractors may have in specific tenders and the exclusion of such prospective contractors from those tenders or bids;*
- (k) *participation in the supply chain management system of persons who are not officials of the municipality or municipal entity, subject to section 117;*
- (l) *the barring of persons from participating in tendering or other bidding processes, including persons—*
  - (i) *who were convicted for fraud or corruption during the past five years;*
  - (ii) *who wilfully neglected, reneged on or failed to comply with a government contract during the past five years; or*
  - (iii) *whose tax matters are not cleared by South African Revenue Service;*
- (m) *measures for—*
  - (i) *combating fraud, corruption, favouritism and unfair and irregular practices in municipal supply chain management; and*
  - (ii) *promoting ethics of officials and other role players involved in municipal supply chain management;*
- (n) *the invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendations or decisions that were made, taken or in any way influenced by—*
  - (i) *councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors set out in Schedule 1 to the Municipal Systems Act; or*
  - (ii) *municipal officials in contravention of item 4 or 5 of the Code of Conduct for Municipal Staff Members set out in Schedule 2 to that Act;*
- (o) *the procurement of goods and services by municipalities or municipal entities through contracts procured by other organs of state;*
- (p) *contract management and dispute settling procedures; and*

*(q) the delegation of municipal supply chain management powers and duties, including to officials.*

*(2) The regulatory framework for municipal supply chain management must be fair, equitable, transparent, competitive and cost-effective.”*

Section 115 of the Municipal Finance Management Act (MFMA) determines that a system of supply chain management must be implemented:

*(1) The accounting officer of a municipality or municipal entity must—*

*(a) implement the supply chain management policy of the municipality or municipal entity; and*

*(b) take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.*

*(2) No person may impede the accounting officer in fulfilling this responsibility.*

Section 117 of the Municipal Finance Management Act (MFMA) determines that councillors are barred from serving on tender committees:

*“No councillor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer”.*

Section 118 of the Municipal Finance Management Act (MFMA) determines that there may not be any interference in the supply chain management system:

*“No person may—*

*(a) interfere with the supply chain management system of a municipality or municipal entity; or*

*(b) amend or tamper with any tenders, quotations, contracts or bids after their submission”.*

## **1.2 Supply Chain Management Policy**

Section 3 of the Knysna Municipality Supply Chain Management Policy indicates a system of delegations:

*“(1) The council hereby delegates all powers and duties to the Accounting Officer which are necessary to enable the Accounting Officer –*

- (a) *to discharge the supply chain management responsibilities conferred on the Accounting Officer in terms of –*
  - (i) *Chapter 8 of the Act; and*
  - (ii) *the Supply Chain Management Policy.*
- (b) *to maximize administrative and operational efficiency in the implementation of this Policy;*
- (c) *to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and*
- (d) *to comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Act.*
- (2) *Section 79 of the Act applies to the sub-delegation of powers and duties delegated to an Accounting Officer in terms of Sub-Section (1).*
- (3) *The Council or Accounting Officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of municipality or to a committee which is not exclusively composed of officials of the municipality.*
- (4) *Section 4(3) may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in Section 26 of this Policy.*

Certain subdelegations are also indicate in the Supply Chain Management Policy:

- (1) *“The Accounting Officer may in terms of Section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such sub-delegation must be consistent with Sub-Section (2) of this Section and Section 4 of this Policy.*
- (2) *The power to make a final award –*
  - (a) *above R10 million may not be sub-delegated by the Accounting Officer;*
  - (b) *above R2 million, but not exceeding R10 million, may be sub-delegated but only to –*
    - (i) *the Chief Financial Officer;*
    - (ii) *a Head of Department; or*
    - (iii) *a Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member.*
  - (c) *not exceeding R 2 million may be sub-delegated but only to –*

- (i) *the Chief Financial Officer;*
  - (ii) *a Head of Department;*
  - (iii) *a manager directly accountable to the Chief Financial Officer or a Head of Department, or*
  - (iv) *a Bid Adjudication Committee.*
- (3) *An official or Bid Adjudication Committee to which the power to make final awards has been sub-delegated in accordance with Sub-Section (2) must within five working days of the end of each month submit to the Accounting Officer a written report containing particulars of each final award made by such official or committee during that month, including–*
  - (a) *the amount of the award;*
  - (b) *the name of the person to whom the award was made; and*
  - (c) *the reason why the award was made to that person.*
- (4) *A written report referred to in Sub-Section (3) must be submitted –*
  - (a) *to the Accounting Officer, in the case of an award by –*
    - (i) *the Chief Financial Officer;*
    - (ii) *a senior manager; or*
    - (iii) *a Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is a member.*
  - (b) *to the Chief Financial Officer or the senior manager responsible for the relevant bid, in the case of an award by –*
    - (i) *a manager referred to in subparagraph (2)(c)(iii); or*
    - (ii) *a Bid Adjudication Committee of which the Chief Financial Officer or a senior manager is not a member.*
- (5) *Sub-Section (3) of this Section does not apply to procurements out of petty cash.*
- (6) *This Section may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in Section 26 of this Policy.*
- (7) *No supply chain management decision-making powers may be delegated to an advisor or consultant”.*

Section 5 of the Knysna Municipality Supply Chain Management Policy prescribe the oversight role of Council:

- “(1) The council reserves its right to maintain oversight over the implementation of this Policy.*

- (2) *For the purposes of such oversight the Accounting Officer must –*
  - (a) *within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the Supply Chain Management Policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and*
  - (b) *whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council.*
- (3) *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.*
- (4) *The reports must be made public in accordance with Section 21A of the Municipal Systems Act.*
- (5) *The Accounting Officer will, within 60 days of the end of each financial year, submit to the Provincial Treasury any information concerning supply chain management in such format as the National Treasury and Provincial Treasury may determine.*
- (6) *To maintain oversight over the implementation of the SCM Policies and Principles. To this end, in addition to the reports referred to in regulation 6(2) and 6(3) of the SCM TR, and in addition to the deviations reports that are already being reported on, the Accounting Officer must also submit monthly reports to the Mayor for tabling in Council containing details of all tenders awarded.*
- (7) *Information about any developments during that month in respect of any dispute, complaint, objection or court action submitted in relation to any tender award. If any of the above information becomes available only in subsequent months in relation to such awards, such information must likewise be reported to the Mayor in the month following that in which the information became known to the Accounting Officers.*
- (8) *Any dispute, complaint, objection or court action in relation to any decisions or actions taken by the Municipality in respect of other aspects of the operation of the SCM system should likewise be reported on”.*

Section 9 of the Supply Chain Management Policy indicates a range of procurement processes:

- “(1) *Goods and services may only be procured by way of –*
  - (a) *Written price quotations in terms of Council’s approved SCM Policy for procurement transactions with a value from R0.00 up to R2 000 (Incl. VAT);*
  - (b) *written price quotations for procurement transactions of a value up to R10 000;*



- (c) *formal written price quotations for procurement transactions of a value from R0.00 up to R300 000; and*
- (d) *a competitive bidding process for–*
  - (i) *procurement transactions with a value above of R300 000; and*
  - (ii) *the procurement of long-term contracts.*
- (2) *The Accounting Officer may, in writing–*
  - (a) *lower, but not increase, the different threshold values specified in Sub-Section (1); or*
  - (b) *direct that –*
    - (i) *written quotations be obtained for any specific procurement of a transaction value lower than R2 000;*
    - (ii) *formal written price quotations be obtained for any specific procurement of a transaction value lower than R300 000; or*
    - (iii) *a competitive bidding process be followed for any specific procurement of a transaction value lower than R300 000.*
- (3) *Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction”.*

Section 16 of the Supply Chain Management Policy describes the procurement process for purchases above R30 000:

- “(1) The conditions for the procurement of goods or services for a value over R30 000 up to R300 000, through formal written price quotations are as follows:*
  - (a) *quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;*
  - (b) *quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in Section 14(1)(b) and (c) of this Policy;*
  - (c) *if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer, and*
  - (d) *the Accounting Officer must record the names of the potential providers and their written quotations.*
- (2) *Quotations must:*
  - (a) *be in writing, and signed by a person with the necessary authority to act on behalf of the prospective supplier;*

- (b) comply with the specifications set out in the quotation notice;*
- (c) be marked for identification in relation to the particular quotation.*

- (3) A designated official referred to in Sub-Section (1) (c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that Sub-Section”.*

Section 18 of the Supply Chain Management Policy describes the procurement process for purchases above R30 000:

- “(1) Goods or services above a transaction value of R300 000 and long term contracts may only be procured through a competitive bidding process, subject to Paragraph 11(2) of this Policy.*
- (2) The bid documentation will be prepared by the SCM Manager in consultation with the relevant directorate and displayed on notice boards, placed on the council’s website, and advertised in commonly circulated local and/or provincial newspapers with a closing date of at least 14 days after the date that the advertisement first appears.*
- (3) No requirement for goods or services above an estimated transaction value of R300 000 may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process”.*

Section 25 of the Supply Chain Management Policy describes the procurement process for purchases above R300 000:

- “(1) The Accounting Officer is required to establish a committee system for competitive bids of at least-*
  - (i) a Bid Specification Committee;*
  - (ii) a Bid Evaluation Committee; and*
  - (iii) a Bid Adjudication Committee.*
- (2) The Accounting Officer appoints the members of each committee, taking into account Section 117 of the Act.*
- (3) A neutral or independent observer, appointed by the Accounting Officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.*
- (4) The committee system must be consistent with –*
  - (a) Section 27, 28 and 29 of this Policy; and*
  - (b) any other applicable legislation.*

- (5) *The Accounting Officer may apply the committee system to formal written price quotations”.*

Section 35 of the Supply Chain Management Policy describes the procurement process for deviations from the policy:

- (1) *“The Accounting Officer may –*
- (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –*
    - (i) in an emergency which is considered an unforeseeable and sudden event with materially harmful or potentially materially harmful consequences for the municipality which requires urgent action to address.*
    - (ii) where it can be demonstrated that goods or services are produced or available from a single source / sole supplier only;*
    - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;*
    - (iv) acquisition of animals for zoos and/or nature and game reserves; or*
    - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.*
  - (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and*
  - (c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy, provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.*
- (2) *The Accounting Officer must record the reasons for any deviations in terms of Sub-Sections (1)(a) and (b) of this policy and report them to the next meeting of Council and include as a note to the annual financial statements.*
- (3) *Sub-Section (2) does not apply to the procurement of goods and services contemplated in Section 11(2) of this policy”.*

## **2 FOURTH QUARTER SUPPLY CHAIN MANAGEMENT REPORT**

### **2.1 Introduction**

2.1.1 The Local Government: Municipal Finance Management Act requires that the Municipality must have and implement a Supply Chain Management Policy, which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'.

2.1.2 The SCM Unit hereby wish to submit the Fourth quarter 2024/25 financial year report to the Finance Governance Committee of Council, this report represents the implementation of Supply Chain Management from 01 April 2025 to 30 June 2025, and reflects the implementation of the supply chain management policies of the Municipality namely:

- Bid Administration Performance – (Bid ending the 30 June 2025) and (Bid under consideration, Bid Adjudicated and Bid Cancelled)
- Contract Management Register and Supplier Performance
- RFQ Register and C -Order Register
- Deviation Register
- Irregular Expenditure Register

2.1.3 The purpose of this report is to provide the status of SCM Unit and report on the implementation of SCM policies in terms of Council's approved Supply Chain Management Policies and Procedures of the Municipality namely, the following policies were approved by the Council before the start of 2025/26 Financial year.

- Municipal SCM Policies and Procedures – SCM System delegations.
- Contracts Management Policy
- Inventory Management Policy
- PPPFA Policy Management
- Irregular Expenditure Policy

### **2.2 Bid Committee's Administration.**

2.2.1 The Municipal Manager has appointed bid committee's for 2025/26 financial year for competitive bidding process, and bid committee structures are prescribed in accordance with the SCM Policy. The mandate, composition, roles and responsibilities of bid committee's as well as meeting procedures, ethical code of conduct and declaration of interest for committee's are clearly outlined and defined in the committee's charter (terms of references).

2.2.2 The ethical code of conduct is to ensure proper good governance and compliance with SCM processes. The Bid Committee's members are required to abide by the

Committee TOR and sign declaration of interest form to manage any potential conflict of interest in bid committee meetings.

- 2.2.3 The bid committees induction was conducted by the SCM, and the external training is scheduled to take place in September 2025. The committee's are comprises of the following members:

| # | Bid Committee's                   | Bid Committee's Compositions and Functions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   | Bid Specification Committee – BSC | BSC is Chaired by Manager Intergrated Human Settlement, Deputy Chair is Manager Administration. The following Managers are standing members of the committee, Manager Parks, Manager Spatial Planning, Manager Building Control. Three additional members were appointed as part of internal capacity building. The procuring department managers are standing members by invitation. Its soley mandate is to develop proper bid specifications, do proper needs analysis, project costing in line with the procurement plan, conduct feasibility study and conduct market analysis. The specifications submitted by the user department must allow effective competition and fair dealing for bidders to offer their goods and services. Members of the Bid Specification Committee shall in exercising and executing their powers and functions in terms hereof, comply with all Council approved policies, by-laws, guidelines, directives and relevant legislation pertaining to procurement of goods/services, construction works and appointment of consultants. |
|   | Bid Evaluation Committee – BEC    | BEC is Chaired by Director Intergrated Human Settlement, Deputy Chair is Senior Manager Project Management Unit. The following Managers are standing members of the committee, Senior Manager ICT, Manager Economic Development, Manager Roads and Stormwater, Manager water and sanitations. A procuring Manager by invitation is a standing member of the committee and SCM Official/practitioner as the secretariat of the committe. Its soley mandate is to evaluate bids in accordance with evaluation criteria, do proper due diligent and quality assurance in the evaluation of bids. submit evaluation report with recommendations to the Bid Adjudication Committee for award and appointment by the Accounting Officer.                                                                                                                                                                                                                                                                                                                                     |

| # | Bid Committee's                  | Bid Committee's Compositions and Functions                                                                                                                                                                                                                                                                          |
|---|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   | Bid Adjudication Committee – BAC | At least 4 Senior Managers of Department (Directors), or a delegated Senior SCM Practitioner and SCM Manager with the CFO as Chairperson. Its sole mandate is to adjudicate or reject the recommendations from the BEC. To make awards or recommend to the MM to appoint for goods and services above R 10 million. |

## 2.3 Performance of the Bid Committee Members

- 2.3.1 The appointment of the bid committee's by the Accounting Officer is in accordance with the Municipal Supply Chain Management Policy, is to ensure functional and effective bid administration committee systems. This helps the Municipality in terms of accountability and reporting, and meet service delivery performance standards. The SCM unit has a schedules of weekly standing meetings for bid committee's. The Wednesday is dedicated for Bid Adjudication Committee, Thursday is dedicated for Bid Evaluation Committee and Tuesday is dedicated for Bid Specification Committee.
- 2.3.2 This was undertaken to ensure that SCM unit improves on internal services delivery support and improve good turnaround time to finalise all the bids within the validity period. This will assist the Municipality to improve its performance and achieved service delivery targets. The performance of the Bid Adjudication was good with ten (10) bids adjudicated in the fourth quarter and four (04) bids withdrawn (restrictive bids specifications, budget affordability, review of bids adjudication strategy, no funds availability and lapses of bid in line with court judgement for bid validity period).
- 2.3.3 The attached bids register indicates number of projects in the bid specification stages, evaluation stages and adjudication stages, mostly are within the bid validity period.
- 2.3.4 SCM Unit as the custodian of the bids administration have conducted the induction and SCM policy awareness to all end users department and bid committee's. The SCM Unit in collaboration with (MISA) will be conducting additional training to the SCM and Bid committee's. There is also an allocation of R200 000 available for training of SCM officials and Bid committees for 2025/26 financial year as part of the internal capacity building, training and development.
- 2.3.5 The appointment of a Director to Chair BEC with the support of technical functional managers will enhance capacity in the BEC to improve on the quality of the BEC report and turn around time. The Bid committees meetings are scheduled yearly in line with annual Municipal calendar meetings to ensure proper planning.
- 2.3.6 The SCM Manager and Chief Financial Officer must ensure that the principles of good governance and compliance in the functioning of the SCM Unit. To enforce element of

supply chain management by ensuring proper due diligent, quality control for RFQ's and bid evaluation assurance to avoid administrative oversight and errors in the SCM functions.

2.3.7 The annual SCM performance will be assessed by the Auditor General for 2024/25 financial year such as:

- SCM unit compliance on regulations and policies.
- SCM has uploaded all information required for audit plan into the audit file
- SCM Internal quality assurance/control and proper good governance.
- Supplier performance, contract management, bids administration and RFQ's.
- Inventory Management

2.3.8 The participation of the Municipality on National Treasury Transversal contract as another efficient method of national sourcing strategy has yielded various benefits in terms cost saving.

2.3.9 The SCM and Internal Audit will be introducing probity audit for procurement of goods, services and construction works above the threshold value of R3 million this will enhance compliance as part of pre-auditing to improve quality assurance and control.

2.3.10 SCM Unit is currently mapping its business process in line with mSCOa guidelines requirements for quotations systems, contract management, inventory and project management.

**Table 1: Bids Under Consideration for Fourth Quarter 2024/2025**

| No | Bid Number      | Bid Descriptions                                                                                                                                            | Status of the Project                                                                 | Comments                                                                                                                                                                                   |
|----|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | T 03 of 2024/25 | Establishment of a Panel of Professional Service Providers for various Municipal Infrastructure Projects for a period of three years                        | Bid adjudication committee recommended for the withdrawal of the bid or cancellation. | The reasons was for the user department to work and simplify the bid specifications, bids validity lapses in line with the court order on bid validity extension and regulation 44 of MFMA |
| 2. | T 05 of 2024/25 | Electronic Web-Based Organisational and Individual Performance Management System, Compliance Management System and Professional Services for a period of 36 | Bid adjudication committee recommended for the withdrawal of the bid or cancellation. | The reasons is that bid price received not affordable, restrictive bid specifications and bids validity lapses in line with the court order on bid validity extension                      |

|    |                 |                                                                                                                                               |                                                                                                                                    |                                                                                                                                                                                                                                                                                                          |
|----|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |                 | months from date of appointment.                                                                                                              |                                                                                                                                    |                                                                                                                                                                                                                                                                                                          |
| 3. | T 08 of 2024/25 | Three (3) year contract for Maintenance of the existing Knysna Municipal Telemetry Installation                                               | Bid evaluation report completed, final due diligent process are underway                                                           | The final bid evaluation report will be presented and tabled at the next Bid Adjudication Committee meeting.                                                                                                                                                                                             |
| 4. | T 09 of 2024/25 | Repair and Maintenance of Civil Engineering Services and Specialised Emergency Repair Work(s) and facilities for a period of three (3) years. | Bid adjudication committee recommended for the withdrawal of the bid or cancellation                                               | The bid adjudication strategy to be reviewed to consider for the panel, or alternatives bidders, the bids specifications needs to be advertised separately from sanitation and water repairs, roads and storm water repairs. bids validity lapses in line with the court order on bid validity extension |
| 5. | T 10 of 2024/25 | RFP for the development of non-fixed trading facility/craft market on portion of ERF 255 Corner of George Rex Drive & Vigilance Drive Knysna  | Bid Evaluation Committee recommended for cancellation                                                                              | Only one bidder submitted proposal for this bid and it did not met the functionality requirements. The Municipality must review the current sourcing strategy and encourage any unsolicited bids                                                                                                         |
| 6. | T 17 of 2024/25 | Supply and Delivery of Server.                                                                                                                | Bid adjudication committee recommended for the withdrawal of the bid or cancellation                                               | bids validity lapses in line with the court order on bid validity extension, there is no funds available for 2025/26 financial year and the end user department requested for the withdrawal of the project.                                                                                             |
| 9. | T 18 of 2024/25 | Supply and Delivery of Plumbing material for a period of 36 Months.                                                                           | Bid is adjudicated to the panel of various bidders with the lowest price on each items and the second lowest as alternative bidder | The appointment letters have been issued and offer of acceptance will be signed by the Accounting Officer                                                                                                                                                                                                |



|     |                 |                                                                                                                                                         |                                                                                                                                                                                                           |                                                                                                                                            |
|-----|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 10. | T 45 of 2023/24 | T 45 of 2023/24 Repair and Servicing of the HV, MV and LV Electrical Switchgear for a period of three (3) years                                         | Bid is adjudicated to the panel of various bidders with the lowest price on each item and the second lowest as alternative bidder                                                                         | The appointment letters have been issued and offer of acceptance has been signed by the Accounting Officer                                 |
| 11. | T 20 of 2042/25 | Supply, Installation and Maintenance of Static Red Light and Speed Violation Cameras and Back Room Processing Services for a period of three (03) years | The project is at the Bid Evaluation Stages                                                                                                                                                               | Five bidders responded to the invitation and the evaluation process will be finalised before the end of August 2025                        |
| 12  | T 06 of 2024/25 | The Supply and Delivery of 22/11 KV Outdoor Ring Main Units (Non-extensible) for a period of three (3) years                                            | Bid is adjudicated to the panel of various bidders with the lowest price on each item and the second lowest as alternative bidder                                                                         | The appointment letters have been issued and offer of acceptance has been signed by the Accounting Officer                                 |
| 13  | T 21 of 2024/25 | Upgrade of 66/22kV Transformer Bays and Switchgear at Main Intake Substation No. 1 in Knysna.                                                           | Bid adjudication committee recommended for award to the Accounting Officer subject to the approval of budget roll-over request to INEP and clarification of budget allocation for a period of three years | The end user department to seek clarity from INEP in relation to how the three year project will be funded and allocation of cost thereof. |
| 14  | T 22 of 2024/25 | Supply and Installation of High-Density Cabinets / Steel Bulk Filer Mobile Shelving                                                                     | The project is at the Bid Evaluation Stages                                                                                                                                                               |                                                                                                                                            |
| 15  | T 23 of 2024/25 | Cost of Supply Study for Water, Electricity, Refuse and Sanitation                                                                                      | Bid Specification Stage                                                                                                                                                                                   | Item with the procuring departments and various alternative methods of sourcing the service are considered through the                     |

|    |                 |                                                                                                                                             |                                                                                                                                                                |                                                                                                                     |
|----|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
|    |                 |                                                                                                                                             |                                                                                                                                                                | assistance of Local Government South Africa.                                                                        |
| 16 | T 24 of 2024/25 | Supply and Delivery of Water and Sewer Pumps for a period of Three years                                                                    | The project is adjudicated to <b>Northfield JV</b> at the total cost of <b>R4 090 363.64</b>                                                                   |                                                                                                                     |
| 17 | T 25 of 2024/25 | Repair & Maintenance of Water & Sewer Pumps for a period of Three years                                                                     | The project is at the Bid Evaluation stage                                                                                                                     | The BEC has sought clarification from legal services before finalization of the BEC report.                         |
| 18 | T 26 of 2024/25 | Upgrading of Rheenendal Bulk Water Supply phase 1                                                                                           | Bid adjudication committee recommended for award to the Accounting Officer subject to the approval of additional budget from MIG to funds the project deficit. | The Accounting Officer to submit a request for additional funding in line with MIG project funding guidelines.      |
| 19 | T 28 of 2024/25 | Geotechnical Drilling and Materials Investigation of the proposed Kruisvallei Dam Site                                                      | The project is adjudicated to <b>Mukona Geotechnics</b> at the cost <b>R2 328 535.19</b>                                                                       | The final award letter and offer of acceptance to be signed by the Accounting Officer                               |
| 20 | T 30 of 2024/25 | Construction of Civil Engineering Services in Sedgefield                                                                                    | The project is at the Bid Evaluation Stages                                                                                                                    | Following the withdrawal of the funding by the Province, the set project might be cancelled due to lack of funding. |
| 21 | T 31 of 2024/25 | Provision of the Multi-Utility Online Vending System including Third-Party Vending, TID, and Revenue Enhancement for a period of 36 months. | Bid Specification Stage                                                                                                                                        | Item with the procuring department                                                                                  |
| 22 | T 32 of 2024/25 | Provision of Forensic Services                                                                                                              | The project is at the Bid Evaluation Stages                                                                                                                    |                                                                                                                     |

|    |                 |                                                                                                                                                               |                                                                                                                                                                |                                                                                                               |
|----|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 23 | T 33 of 2024/25 | Khayaletu Satellite Fire Station                                                                                                                              | Bid Specification Stage                                                                                                                                        | Item with the procuring department                                                                            |
| 24 | T 34 of 2024/25 | Surfacing of Gravel Roads in Rheenendal (Ward 5)                                                                                                              | Bid adjudication committee recommended for award to the Accounting Officer subject to the approval of additional budget from MIG to funds the project deficit. | The Accounting Officer to submit a request for additional funding in line with MIG project funding guidelines |
| 25 | T 35 of 2024/25 | Specification for the Supply, Delivery and Installation of mechanical and electrical equipment, for a bio - filter model 30 kl RBC wastewater treatment plant | The project has been awarded to <b>Phathina 10 Projects</b> at the cost of <b>R874 402.30</b>                                                                  | 14 days objection / provisional letter has been issued.                                                       |
| 26 | T 37 of 2024/25 | Supply and Fitment of Pneumatic Tyres, Wheel Puncture Repairs and Wheel Alignment for a Period of 18 months                                                   | Bid Specification Stage                                                                                                                                        |                                                                                                               |
| 27 | T 38 of 2024/25 | Renewal of the Knysna Municipality Email Management and Archiving Solution for a period of Three (03) years                                                   | The project has been awarded to <b>Netmarks IT Group</b> at the cost of <b>R2 036 924.85</b>                                                                   | 14 days objection / provisional letter has been issued.                                                       |
| 28 | T 39 of 2024/25 | Supply and Delivery of Oil & Lubricants for a Period of 18 Months                                                                                             | Bid Specification Stage                                                                                                                                        |                                                                                                               |

**2.4 Table 2: Bids Awarded in the Fourth Quarter 2024/2025**

| No | Tender          | Tenderer                                                                                                                                                      | Total Rand Value/<br>amount of Requisitions                                                                                                                                 |
|----|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | T 18 of 2024/25 | Supply and Delivery of Plumbing material for a period of 36 Months.                                                                                           | Rates based tender                                                                                                                                                          |
| 2  | T 45 of 2023/24 | Repair and Servicing of the HV, MV and LV Electrical Switchgear for a period of three (3) years.                                                              | Various rates                                                                                                                                                               |
| 3  | T 06 of 2024/25 | Supply and Delivery of 22/11 KV Outdoor Ring Main Units (Non-extensible) for a period of three (3) years                                                      | Various rates                                                                                                                                                               |
| 4  | T 24 of 2024/25 | Supply and Delivery of Water and Sewer Pumps for a period of Three years                                                                                      | The bid awarded to <b>Northfield JV</b> at the cost of <b>R 4 090 363,00</b>                                                                                                |
| 5  | T 38 of 2024/25 | Renewal of the Knysna Municipality Email Management and Archiving Solution for a period of Three (03) years                                                   | The bid awarded to <b>Netmarks IT Group</b> at the cost of <b>R2 036 924.85</b>                                                                                             |
| 6  | T 35 of 2024/25 | Specification for the Supply, Delivery and Installation of mechanical and electrical equipment, for a bio - filter model 30 kl RBC wastewater treatment plant | The bid awarded to <b>Phathina 10 Projects</b> at the cost of <b>R874 402.30</b>                                                                                            |
| 7  | T 28 of 2024/25 | Geotechnical Drilling and Materials Investigation of the proposed Kruisvallei Dam Site                                                                        | The bid awarded to <b>Mukona Geotechnics</b> at the cost <b>R2 328 535.19</b>                                                                                               |
| 8  | T 21 of 2024/25 | Upgrade of 66/22kV Transformer Bays and Switchgear at Main Intake Substation No. 1 in Knysna.                                                                 | The award is subject to the clarification of the Budget roll-over application approval to INEP and confirmation of funds roll-out strategy within the period of three years |
| 9  | T 34 of 2024/25 | Surfacing of Gravel Roads in Rheenendal (Ward 5)                                                                                                              | The award is subject to the approval of the additional funds by MIG to fund project deficit as dictated by the market response                                              |

|    |                 |                                                   |                                                   |
|----|-----------------|---------------------------------------------------|---------------------------------------------------|
| 10 | T 26 of 2024/25 | Upgrading of Rheenendal Bulk Water Supply phase 1 | Upgrading of Rheenendal Bulk Water Supply phase 1 |
|----|-----------------|---------------------------------------------------|---------------------------------------------------|

**2.6 Table 3: Contracted Services Ending June 2025**

| Tender Number |               | Description                                                                                                                                  | Time Frame          | Successful bidder                                                         | Contract end Date | Directorate        |
|---------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------------------------------------------------------------|-------------------|--------------------|
| T             | 59 of 2020/21 | Expression of Interest for various municipal projects                                                                                        | 3 Years             | Panel of services providers                                               | 30/06/2025        | Technical Services |
| T             | 49 OF 2021/22 | Chipping of green waste at Sedgfield drop off facility                                                                                       | 3 years             | Chipper EC                                                                | 30/06/2025        | Community Services |
| T             | 01 OF 2022/23 | Supply, delivery and offloading of electrical cables, conductors for a period of 3 years                                                     | 3 Years             | Various Suppliers                                                         | 30/06/2025        | Technical Services |
| T             | 20 OF 2022/23 | Supply of skips for general waste and transporting of dried sludge for a period of three years                                               | 3 Years             | Zonke Procurement                                                         | 30/06/2025        | Technical Services |
| T             | 23 OF 2022/23 | Electrical Protection Testing and Maintenance within the Greater Knysna Municipal Area as and when required for a period ending 30 June 2025 | Ending 30 June 2025 | Eya bantu professional services                                           | 30/06/2025        | Technical Services |
| T             | 24 OF 2022/23 | Knysna Reverse Osmosis Plants - Operation and Maintenance for a 3 year period                                                                | 3 Years             | Proxa South Africa                                                        | 30/06/2025        | Technical Services |
| T             | 19 OF 2022/23 | Render a complete, well equipped and suitably qualified Lifesaving function in the Greater Knysna Area for a period of three years           | 3 Years             | National Sea Rescue Institute                                             | 21 April 2025     | Community Services |
| T             | 43 OF 2022/23 | Supply and delivery of cleaning and Maintenance Products (Highly Concentrated & Concentrated) for a period of 18 months                      | 18 months           | KFC Engineering, Kingpin Supplies, VTC Supplies, Fistoz, Seaview Plumbing | 15/08/2025        | Stores             |

|   |               |                                                                                                             |           |                          |              |                    |
|---|---------------|-------------------------------------------------------------------------------------------------------------|-----------|--------------------------|--------------|--------------------|
| T | 52 OF 2022/23 | Supply and delivery of oil & Lubricants for a period of 18 months                                           | 18 months | Various Suppliers        | 09/04/2025   | Stores             |
| T | 55 OF 2022/23 | Supply and delivery of building material for a period of 18 months                                          | 18 months | Various                  | 14/08/2025   | Stores             |
| T | 23 OF 2023/24 | Supply and Fitment of Pneumatic Tyres, Wheel Puncture Repairs and Wheel Alignment for a Period of 18 months | 18 months | Carmin Red               | 30 Sept 2025 | Technical Services |
| T | 12 OF 2020/21 | Request for Proposal for the leasing of the Buffalo Bay Caravan Park                                        | 5 YEARS   | Buffalo Bay Caravan Park | 31/01/2026   | Corporate Services |

**2.7 Table 4: Cancelled Bids in the Fourth Quarter 2024/2025**

| No | Tender number   | Tender Description                                                                                                                 | Reason for cancellation                                                                                                                                                                                    |
|----|-----------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | T 03 of 2024/25 | Appointment of a panel of professional Service Providers for Various Municipal Infrastructure Projects for a period of Three Years | Regulation 44 for appointment of consultants, bid validity lapses the bids in line with new court judgement and tender specifications                                                                      |
| 2  | T 05 of 2024/25 | Electronic Web-Based Performance Management System.                                                                                | Project affordability, bid validity lapses in line with the new court judgement on bid validity                                                                                                            |
| 3  | T 09 of 2024/25 | Repair and Maintenance of Civil Engineering Services and Emergency Repair Works and Facilities for a Period of Three Years.        | Review of the bid adjudication strategy, bid validity lapses in line with new court judgement and review of the entire specifications to separate roads, storm water, sanitations and public works repairs |
| 4  | T 17 of 2024/25 | Supply and delivery of Servers                                                                                                     | No budget available for 2025/26 financial year, end user requested the withdrawal of the project and bid validity lapses in line with new court judgement on bid validity.                                 |

**2.8 Terminated Suppliers for Contracted Services**

| No | Name of the Supplier         | Description of Service                              | Reasons for Termination                                     |
|----|------------------------------|-----------------------------------------------------|-------------------------------------------------------------|
| 1. | Dephethogo Security Services | Provision of Physical Security services             | Settlement agreement out of contract                        |
| 2  | SNR Electrical               | Repairs and Maintenance of water and sewerage Pumps | Tender cost reaching a contractual awarded threshold amount |

The Office of the Municipal Manager, CFO and SCM are considering various options in relation to the handling of objections in the Municipality, various options like completely outsourcing the functions and responsibilities to procurement lawyers to enhance and improve on turn around time of finalizing the objections with 21 days from the date of the objections. The appeal authority and legal services to give guidance and process flow in relation to the objections .

## 2.9 14 days Objections

| No | Bid Number        | Bid Descriptions                         | Type of Objections                                         | Name of the Supplier        |
|----|-------------------|------------------------------------------|------------------------------------------------------------|-----------------------------|
| 1. | T 18 of 2024/2025 | Supply and Delivery of Plumbing Material | It was a clarification and review of their scoring/ points | Ithuba Industries           |
| 2  | T 18 of 2024/2025 | Supply and Delivery of Plumbing Material | It was a clarification and review of their scoring/ points | Take Note Universal Trading |

## 2.8 Formal written quotations

2.8.1 A summary of the formal written quotation awards made by the delegated officials for the period is indicated in Table 3 below. More detailed information on the awards made to service providers, their BBBEE status, their origin or location and the amounts involved are depicted in detailed **Annexure A and Annexure B attached** to this report.

**Table 3: Formal Written Quotations**

| No                   | Month      | Total Number of Requisitions processed | Total Rand Value/ amount of Requisitions |
|----------------------|------------|----------------------------------------|------------------------------------------|
| 1.                   | April 2025 | 04                                     | R338 765.85                              |
| 2.                   | May 2025   | 08                                     | R490 866.24                              |
| 3.                   | June 2025  | 10                                     | R847 416.93                              |
| <b>Overall Total</b> |            | <b>22</b>                              | <b>R1 677 049.02</b>                     |

### C – Orders (Advertised RFQ's and only less than three quotations were obtained)

| No            | Month      | Total Number of Requisitions processed | Total Rand Value/ amount of Requisitions |
|---------------|------------|----------------------------------------|------------------------------------------|
| 1.            | April 2025 | 03                                     | R187 913.00                              |
| 2.            | May 2025   | 02                                     | R57 696.88                               |
| 3.            | June 2025  | 03                                     | R37 102.25                               |
| Overall Total |            | 08                                     | R282 712.13                              |

## 2.9 Deviations from the SCM Policy

2.9.1 Section 36 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement processes under certain circumstances. The total deviations for the period under review is depicted in Table 4 below . More detailed information on the deviations made to service providers, their compelling and justifiable reasons and the amounts involved are depicted in detailed **Annexure C attached** to this report.

**Table 4: Approved Deviations Register**

| Awarded Deviations |   |   |               |
|--------------------|---|---|---------------|
| Exceptional Cases  | 4 | R | 16 595 677,70 |
| Emergency          | 1 | R | 25 300,00     |
| Sole Supplier      | 0 | R | -             |
| Total              |   | R | 16 620 977,70 |

## 2.10 IRREGULAR EXPENDINTURE

The work is ongoing in order to reduce the Irregular Expenditure Balance. The report on Irregular Expenditure Balance as found on unaudited Annual Financial Statement for 2024/25 Financial Year. (**Annexure D**)



| Irregular Expenditure Quarter 4 (01 April 2025 - 30 June 2025) |                                       |                            |                      |                                                    |
|----------------------------------------------------------------|---------------------------------------|----------------------------|----------------------|----------------------------------------------------|
| Tender number                                                  | Tender Description                    | Name of the Supplier       | Expenditure Incl VAT | Reason                                             |
| T 36/2019/2020                                                 | Appointment of Consulting Engineers   | PANEL OF SERVICE PROVIDERS | 3 139 879,24         | Expenditure after contract end date (30 JUNE 2023) |
| D 10738                                                        | PAID TRAFFIC VIOLATIONS MARCH 2025    | SYNTELL (PTY) LTD          | 960 687,00           | Expenditure after contract end date                |
| D 10740                                                        | PAID TRAFFIC VIOLATIONS APRIL 2025    | SYNTELL (PTY) LTD          | 611 305,50           | Expenditure after contract end date                |
| D 10744                                                        | PAID TRAFFIC VIOLATIONS FEBRUARY 2025 | SYNTELL (PTY) LTD          | 1 060 926,75         | Expenditure after contract end date                |
| D 10745                                                        | PAID TRAFFIC VIOLATIONS JANUARY 2025  | SYNTELL (PTY) LTD          | 1 087 164,00         | Expenditure after contract end date                |
| D 10765                                                        | PAID TRAFFIC VIOLATIONS MAY 2025      | SYNTELL (PTY) LTD          | 585 292,50           | Expenditure after contract end date                |
| D 10773                                                        | PAID TRAFFIC VIOLATIONS JUNE 2025     | SYNTELL (PTY) LTD          | 1 008 900,75         | Expenditure after contract end date                |
| D 10769                                                        | T04-2020/2021_CONTRACTORS FEES        | Mantishe Construction      | -                    |                                                    |
| D 10748                                                        | Ignite Advisory Services June         | Ignite Advisory Services   | 15 667,08            | No Formal Procurement Process followed             |
| D 10749                                                        | Ignite Advisory Services May 2025     | Ignite Advisory Services   | 15 667,08            | No Formal Procurement Process followed             |
| D 10750                                                        | Ignite Advisory Service April 2025    | Ignite Advisory Services   | 15 667,08            | No Formal Procurement Process followed             |
| D 10751                                                        | Ignite Advisory Services March 2025   | Ignite Advisory Services   | 15 667,08            | No Formal Procurement Process followed             |
| D 10759                                                        | iComply Ignite Advisory Services June | Ignite Advisory Services   | 4 903,88             | No Formal Procurement Process followed             |
| D 10760                                                        | iComply Ignite Advisory Services June | Ignite Advisory Services   | 3 964,00             | No Formal Procurement Process followed             |
| D 10761                                                        | iComply Ignite Advisory Services May  | Ignite Advisory Services   | 8 867,88             | No Formal Procurement Process followed             |

|                 |                                                                                                                    |                                |                      |                                                            |
|-----------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------|------------------------------------------------------------|
| D 10762         | iComply Ignite Advisory Services April                                                                             | Ignite Advisory Services       | 8 867,88             | No Formal Procurement Process followed                     |
| D 10763         | iComply Ignite Advisory Services March                                                                             | Ignite Advisory Services       | 8 867,88             | No Formal Procurement Process followed                     |
| D 10734         | OUTSTANDING PAYMENTS-SECURITY SERVICES                                                                             | Dephethogo Trading CC          | 5 430 424,82         |                                                            |
| T 25 of 2023.24 | Provision of security services                                                                                     | Dephethogo Trading CC          | 10 406 828,31        |                                                            |
| D 10758         | MIG: CONTRACTORS FEES_T06-22/23                                                                                    | ZKS AND NAM GENERAL TRADING    | 153 516,93           | Poor Project Management                                    |
|                 | <b>Irregular Expenditure - Current Year before Audit</b>                                                           |                                | <b>24 543 065,64</b> |                                                            |
| T 33/2021/2022  | Replacement and Rehabilitation of the existing Water network                                                       | STAR TIME TRADING CC           | 434 829,34           | COMAF 44 Extensions Not Done in Accordance to SCM Policies |
| T 03/2023/24    | Appointment of Service providers to co-source the Internal Audit Function and support the Risk Management function | Moore Consulting Southern Cape | 404 674,39           | COMAF 43 Non compliance in awarding of bids                |
| T 49/2022/23    | Appointment of Service Providers to Design and Place Advertisements in Local, Provincial and National Media f      | PANEL OF SERVICE PROVIDERS     | 100 725,00           | COMAF 43 Non compliance in awarding of bids                |
| T 55/2022/23    | Supply and delivery of building material for a period of 18 months                                                 | VARIOUS SUPPLIERS              | 136 252,62           | COMAF 43 Non compliance in awarding of bids                |
| T 51/2022/23    | Provision of Accounting Support                                                                                    | Mubesko Tsholo Moore           | 48 288,23            | COMAF 43 Non compliance in awarding of bids                |
| T 69/2020/21    | Nedfleet payments                                                                                                  | Standard Bank                  | 1 915 629,22         | ComAF 56 - Contracts awarded after validity period expired |
| T 01 OF 2022/23 | Supply, delivery and offloading of electrical cables, conductors                                                   | Various supplies               | 323 317,03           | ComAF 39 - Contracts awarded after validity period expired |
|                 | <b>Irregular on contracts Identified through Audit 2023-2024</b>                                                   |                                | <b>3 363 715,83</b>  |                                                            |

The below mentioned recommendations will greatly assist in reducing the Irregular Expenditure and improve efficiency in the implementation of Supply Chain Management systems and business process in the Municipality.

**ATTACHMENTS:**

**Annexure A:** RFQ Register.

**Annexure B:** C Order RFQ's Register.

**Annexure C:** Deviations Register.

**Annexure D:** Irregular Expenditure

**Annexure E:** Cancelled Bid Register

**Annexure F:** Fourth Quarter Performance Report April 2025

**Annexure G:** Fourth Quarter Performance Report May 2025

**Annexure H:** Fourth Quarter Performance Report June 2025

**2.11 Recommendations**

The Finance and Governance Committee of Council should:

- Take appropriate action to ensure that poor planning from end user department is treated as misconduct and this will reduce self created emergency or exceptional circumstances.
- Note the Fourth Quarter report for implementation of the Supply Chain Management in the Municipality.
- Note all the irregular and deviation expenditure, and inform MPAC to investigate all the Irregular Expenditure of the fourth quarter of the 2024/25 Financial year.
- Make appropriate recommendations where applicable to Council in relation to implementations of Supply Chain Management policy in the Municipality .
- MPAC must submit quarterly progress report and feedback on matters considered for condonation as unavoidable expenditure like sole suppliers and emergency procurement that meets requirements for deviations.
- Finance Committee to mandate MPAC to investigate all the irregular expenditures as results of poor planning with deliberate intentions to contravene the SCM process of the Municipality and enforce consequences management.
- Finance Committee to mandate SCM to submit an item with recommendations to MPAC on all irregular expenditure for consideration of Council.

**TR MAMPANA**

**SUPPLY CHAIN MANAGER**

**DATE: 30 July 2025**