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**MUNISIPALITEIT - MUNICIPALITY - UMASIPALA-WASE
BEAUFORT-WES/BEAUFORT WEST/BHOBHOFOLO**

KANTOOR VAN DIE DIREKTEUR: FINANSIËLE DIENSTE

OFFICE OF THE DIRECTOR: FINANCIAL SERVICES

Rig asseblief alle korrespondensie aan die Munisipale Bestuurder/Kindly address all correspondence to the Municipal Manager/Yonke imbalelwano mayithunyelwe kuMlawuli kaMasipala

Verwysing
Reference
Isalathiso

6/1/1/1

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MEMORANDUM TO THE ACTING MUNICIPAL MANAGER

SUPPLY CHAIN MANAGEMENT IMPLEMENTATION REPORT FOR 3rd QUARTER- 01 JANUARY TILL 31 MARCH 2026

1. EXECUTIVE SUMMARY

In terms of paragraph 6.3 of Council’s Supply Chain Management Policy, the Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.

2. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

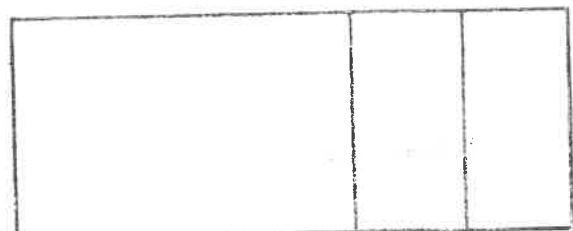
In terms of paragraph 13 (f) Council’s Supply Chain Management Policy awards given to close family members or persons in the service of the state, above R2 000, should be disclosed in the notes to the Annual Financial Statements. During the 3rd quarter of 2025/2026 financial year awards amounting to **R 103 711,00** were made by the municipality to people whose close family members are in the service of the state, see **Annexure A** for details.

3. MONTHLY REPORT ON DEVIATIONS AND MINOR BREACHES

The Supply Chain Management Policy states in Paragraph 36:

“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 (as per definition);
 - (ii) if such goods or services are produced or available from a single provider only;
 - (ii) 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; and



(vi) ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids;

There were 2 deviations approved by the Accounting Officer during the 3rd quarter. The total amount of these deviations was R 311 814,36 see **Annexure B** for details.

4. AWARDS OF COMPETITIVE BIDS AND FORMAL QUOTATIONS IN TERMS OF SUB-DELEGATIONS

In terms of Section 5(3), an official or bid adjudication committee to which the power to make final awards has been sub-delegated must within five 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.

The Municipal Manager has sub-delegated the power to award Competitive Bids to the Bid Adjudication Committee. There were 4 awards made in terms of these sub-delegations by Bid Adjudication Committee which amount to R 45 986 966,52 and the details of these awards are attached as **Annexure C**.

5. CONTRACT MANAGEMENT

In terms of National Treasury Circular 62, contracts may be varied or expanded by not more than 20% for construction-related goods or services and no more than 15% for all other goods and or services.

The following 2 tenders were awarded to bidders but due to available funding at time of award bid price was reduce but with adjustment budget funding are now available and request for adjustment of bids are as follows and in compliance with legislation approved by Bid Adjudication Committee and Municipal Manager see **Annexure C**:

#	Amendment	Actual Value	Actual Value
	Bid no.	SCM 18/2026	SCM 40/2025
	Description	Upgrading of Netball & Tennis Courts: Phase 1: Rustdene	Civil Construction and Associated works for the Upgrading of the Nelspoort Water Treatment Works
	Bidder	Thalamani Civils (Pty) Ltd	De Jagers Loodgieters Kontrakteurs (Edms) Bpk
1.	Initial Bid Tendered	R 9 156 242,04	R 21 419 583,41
2.	Reduced awarded Bid	R 6,576,262,66	R 16 001 398,20,
3.	Adjusted New Bid Amount	R 6 839 963,45	R 16 447 706,86
4.	20% of total contract value	R 1 315 252,53	R 3 289 541,37
5.	Adjusted amount	R 263.700,79	R 446.308,66

6. IRREGULAR EXPENDITURE

In terms of section 1 of the MFMA Circular No 68, Irregular expenditure is defined in section 1 of the MFMA as follows:


“Irregular expenditure”, in relation to a municipality or municipal entity, means—

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (e) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality’s by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of “unauthorised expenditure”.


During the quarter under review the municipality incurred irregular expenditure amounting to **R 1 507 316,71** as a result of contracts that were used though they have already expired, see **Annexure D** for details.

7. PUBLICATION OF SCM REPORT

In terms of Section 21(a) of the Systems Act the report must also be advertised in the local media and placed on Council’s notice boards and website.


Prepared by: Mrs. S.A Pothberg
Senior Practitioner: Supply Chain Management


Reviewed: Mr. B Damon
Acting Manager: Supply Chain Management


Approved by: Mr B Jacobs
Director: Financial Services

BEAUFORT WEST MUNICIPALITY

Annexure A - Awards to close family members of persons in the service of the state for the 3rd Quarter - 01 January- 31 March 2026

Business	Date	Reference	Amount	Description of transaction	Interest
Ames Doll	23/01/2026	ORD-13050	R 5,400,00		Husband, Mr A Stoffels, is currently employed by the Department of Education
B & B Sweiswerke	25/03/2026	ORD-13235	R 4,750,00	Catering Services	Son, Mr. Du Plessis, employed at Education Department
Beaufort West Luxury Coaches	15/01/2026	ORD-13021	R 2,070,00	to George and back for pre-assessment training	Daughter in law, Mrs B Johnson, employed as Provincial Traffic Officer Department of Mobility
	19/01/2026	ORD-13027	R 4,150,00		
	21/01/2026	ORD-13036	R 4,150,00		
Q&K Projects	30/01/2026	P101/30/00042467/2025-2026	R 30,866,00		Brothers (Mr C and E De Wee) are employed at Education Department and
	27/02/2026	P102/27/00042772/2025-2026	R 3,1918,25	Digging of Graves: Beaufort West Graveyard	Transnet and Sister, Ms L De Wee, currently employed at SAPS.
	30/03/2026	P103/30/00043074/2025-2026	R 20,406,75	for 3 year period	
TOTAL AMOUNT			R 103,711,00		

BEAUFORT WEST MUNICIPALITY

Annexure B - Deviations awarded for the 3rd Quarter - 01 January - 31 March 2026

Applicable Paragraph in SCM	Supplier	Amount	Date	Reference	Directorate	Reason for Deviation
(b)	Sole Supplier	R 12.792,00	30/01/2026	PI01/30/000424	AC Makendhana	Quidity CC which is an Administrator system that the Beaufort West Municipality use at Corporate Services which was procured prior the implementation of Supply Chain Management Regulations. Quidity is the holder of the licensing rights to this application and is the sole and only company that provides monthly support.
		R 12.792,00	26/02/2026	PI02/26/000427		
		R 12.792,00	30/03/2026	PI03/30/000430		
(a)	Quidity	R 12.792,00	30/03/2026	77/2025-2026	L Ngqola	The Municipality leased the refuse truck from Egstra Fleet and part of contract was that Municipality had the option to purchase the refuse truck after lease agreement lapse. The opportunity to purchase the vehicle at a reduced cost presents exceptional value and avoids the delays and significant higher outlay associated with the procuring a new compactor truck through SCM competitive bidding process. The market testing was done and found that acquisition of new truck could cost R2,5 million. Taking in consideration the critical nature of waste removal services, as we currently only have 1 operational truck available which is an unsustainable huge risk for the municipality.
		R 273.438.36	5/3/2026	PI03/05/000429		
TOTAL QUANTITY DEVIATION		R 311.814,36				
TOTAL AMOUNT OF DEVIATIONS		R 311.814,36				

BEAUFORT WEST MUNICIPALITY

Annexure C- Formal quotations and tenders awarded for the 3rd Quarter - 01 January- 31 March 2026

Bid #	Item	Awarded to	Bid Amount	BBBEE Level	Award date	Award by
Competitive bids with value R 300 000<						
SCM 22/2026	Supply, Delivery and Off-loading of Purification Chemicals and Disinfectants for the Beaufort West Municipality for a period of three years	Meisi Chem Kapa (Pty) Ltd	Rate based	Level 1	12/3/2026	Bid Adjudication Committee
SCM 23/2026	Resurfacing of two Netball Courts in Murrayburg	Nkaiwana Construction	R 1,100,000,00	Level 1	4/2/2026	
SCM 24/2026	Refurbishment of Netball Ablution Facility in Murrayburg	Bid has been cancelled due to no responsive bid received			4/2/2026	
SCM 27/2026	Procurement of Travel and Accommodation Agency Services for a period of three years	Khumzi Investments (Pty) Ltd T/A Khumzi Travel	Percentage Based	Level 1	25/03/2026	
SCM 29/2026	Supply, Delivery, Installation, Refurbishment, Relocation, Testing and Commissioning of various primary & secondary substations with associated equipment and works required for Beaufort West Municipality for 3 year period	VE Reticulation (Pty) Ltd	R 44,886,966,52	Level 1	25/03/2026	
TOTAL			R 45,986,966,52			
Amendments/Variations or Extension of Contracts in terms of MFMA Circular 62						
SCM 18/2026	Upgrading of Netball & Tennis Courts: Phase 1: Rustdene	Thlamani Civils (Pty) Ltd Award amount R 6 576 262,66 Upgraded to R6 839 963,45	R 263,700,79	Level 1	4/2/2026	
SCM 40/2025	Civil Construction and Associated works for the Upgrading of the Nelspoort Water Treatment Works	De Jagers Loodgeiters Kontrakteurs (Edms) Bpk with a reduced available budget amount of R 16 001 398,20, but were now extended to R16 447 706,86	R 446,308,66	Level 1	25/03/2026	
TOTAL			R 710,009,45			

BEAUFORT WEST MUNICIPALITY

Annexure D- Expenditure of Irregular Contracts for the 3rd Quarter - 01 January - 31 March 2026

SCM number	Bid description	Bidder	Amount	Payment reference	Payment date	Start date	Completion date	Comment
		Egstra fleet	R 5.721,62	PI01/28/00042373/2025-2026	28/01/2026			
			R 5.721,62	PI03/04/00042903/2025-2026	04/03/2026			
			R 273.438,36	PI03/05/00042919/2025-2026	05/03/2026			
			R 199.930,17	PI01/08/00042279/2025-2026	08/01/2026			
			R 146.849,34	PI01/28/00042368/2025-2026	28/01/2026			
			R 183.999,69	PI03/04/00042892/2025-2026	04/03/2026			
			R 173.019,51	PI03/27/00043060/2025-2026	27/03/2026			
			R 53,00	PI03/27/00043061/2025-2026	27/03/2026			
			R 1.732,13	PI01/22/00042340/2025-2026	22/01/2026			
			R 17.050,97	PI01/22/00042341/2025-2026	22/01/2026			
SCM 15/2016	Full maintenance fleet: Vehicles	Bidvest Bank	R 17.050,97	PI02/06/00042569/2025-2026	06/02/2026			
			R 17.050,97	PI03/19/00042985/2025-2026	19/03/2026			
			R 3.070,69	PI03/19/00042988/2025-2026	19/03/2026			
			R 45.027,33	PI01/19/00042306/2025-2026	19/01/2026	01/06/2021	01/05/2019	Contract extended beyond contract period
			R 99.579,65	PI02/20/00042663/2025-2026	20/02/2026	13/04/2023	12/04/2026	
			R 78.789,03	PI03/13/00042969/2025-2026	13/03/2026			
			R 124.811,41	Bank charges-01 January-31 March 2026				
			R 39.492,86	PI01/08/00042280/2025-2026	08/01/2026			
			R 38.005,58	PI02/03/00042546/2025-2026	03/02/2026	12/07/2023	11/7/2028	Identified as irregular previously by AG. Advertisement not shorter than prescribed period advertised
			R 36.921,81	PI03/04/00042889/2025-2026	04/03/2026			
Total			R 1.507.316,71					