

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

SUBJECT: REPORT OF THE IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY OF MASILONAYANA LOCAL MUNICIPALITY: (FOR THE FIRST QUARTER ENDING SEPTEMBER 2025)

1. PURPOSE OF THE REPORT

The purpose of this report is to inform the Mayor regarding the implementation of the Supply Chain Management (SCM) Policy adopted on 27 March 2025, to perform oversight role for the 2025/26 financial year.

2. BACKGROUND

Regulation 6(3) of the SCM Regulation of 27 March 2025 as amended states the following: “(3) the accounting officer must, within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Mayor. The reports must be made public in accordance with section 21A of the Municipal Systems Act.

This report also indicates if there are serious and material changes encountered in the implementation of the SCM Policy.

3. DISCUSSION

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

The policy was reviewed and adopted on 27 March 2025 by the council in terms of SCM regulation 3.

3.2 Capacity of SCM Unit

Number of funded posts	Number of filled post	Number of vacant posts	Date to fill Post	Vacant	Comments
4	4	4	Unknown		None

3.3 Competitive bidding process

Tenders awarded:

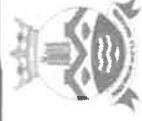
Description	Value of tenders awarded	Supplier Name	Date awarded	Comments
Supply and Delivery of 35 Laptops	R531 380.50	Ditsoane Trading & Projects	13 August 2025	All items were delivered at once.

3.3 Deviations

Description	Supplier Name	Value for deviations	Reason for deviations
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Description	Supplier Name	Value for deviations	Reason for deviations
Water distribution system in Winburg	C-PAC PUMPS AND VALVES	R 975 457.60	The outlet pipe at the Winburg Water Treatment Works has been experiencing continuous bursts, despite ongoing repair efforts. This recurring failure has severely disrupted the supply of potable water to the community of Winburg and Makeleketa.
Hiring of water trucks for all towns	NJUNGA CONSTRUCTION & PROJECT MANAGEMENT	R 277 743.40	The ongoing interruption in water supply to Brandfort and Majwemasweu, resulting from the failure of key raw pumps at Pump Stations C and A, had left residents without access to treated water. The hiring of water trucks was therefore necessary to ensure continuous supply to critical areas while pump repair and refurbishment work is being undertaken.
Emergency repair of two brake pads, rear drums, linings, starter and service kit of Ford Ranger double cap for water plant	CDR SPARES & REPAIRS	R 57 537.68	The municipality had difficulties getting quotes from three different companies that could supply the municipality with all the parts requested on the specifications. Due to the urgency of the situation and material required to remedy the situation urgently, CDR Spares and Repairs has the required material and capacity to execute the works.
Repairs and maintenance work on Brandfort/Majwemasweu raw water pipeline	C-PAC PUMPS AND VALVES	R 197 996.65	Emergency work carried out between Theunissen and Brandfort clean water pipeline
Electrical repairs in Verkeerdelei at 2 water boreholes	KOPELI TRADING	R 30 750.00	It was reported that 2 boreholes in Verkeerdelei were not pumping water, resulting in a disruption to the local water supply. These boreholes are essential for providing clean and safe water to both residents and businesses in the area.
Electrical repairs in Brandfort CBD 5 street	KOPELI TRADING	R 85 816.00	Brandfort experienced severe and unpredictable voltage fluctuations across the local electricity distribution network. These fluctuations included sudden voltage surges and drops,



Description	Supplier Name	Value for deviations	Reason for deviations
residential dwelling			which posted a significant risk to household and business electrical appliances.
Treatment fee for Mr L. Selema	Anchor Recovery Ranch	R 8 500.00	Emergency taking of Mr L. Selema to rehabilitation facilities (July 2025)
Repairs and maintenance work on Brandfort/Majwemasweu raw water pipeline	C-PAC PUMPS AND VALVES	R 197 996.65	Emergency work carried out between Theunissen and brandfort clean water pipeline
Electrical repairs in Verkeerdelei at 2 water boreholes	KOPELI TRADING	R 30 750.00	It was reported that 2 boreholes in Verkeerdelei were not pumping water, resulting in a disruption to the local water supply. These boreholes are essential for providing clean and safe water to both residents and businesses in the area.
Electrical repairs in Brandfort CBD 5 street residential dwelling	KOPELI TRADING	R 85 816.00	Brandfort experienced severe and unpredictable voltage fluctuations across the local electricity distribution network. These fluctuations included sudden voltage surges and drops, which posted a significant risk to household and business electrical appliances.
Treatment fee for Mr L. Selema	Anchor Recovery Ranch	R 8 500.00	Emergency taking of Mr L. Selema to rehabilitation facilities (August 2025)
Rehabilitation of Mr. Selema	Anchor Recovery Ranch	R 8 500.00	Emergency taking of Mr L. Selema to rehabilitation facilities (September 2025)
Consulting services for development of SDBIP, Performance agreements	Tharollo Management Services	R 196 630.00	The municipality had received disclaimed audit outcomes for the last 8 years, central to some of the material irregularities is the subject of non-performance or failure to properly report the



Description	Supplier Name	Value for deviations	Reason for deviations
and review of APR.			same.
Camjet	Manthateng Enterprise	R 287 000.00	Emergency need for camjet in all Masolonyana towns

3.4 Irregular Expenditure

Description	Supplier Name	Total Amount	Reason for irregular
THEUNISSEN WASTE WATER TREATMENT WORKS AND PUMP STATION	PHENYO AND BOTUMELO PROJECTS	R 231 530.08	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
REFURBISHMENT OF WASTE WATER TREATMENT WORKDS AND PUMPSTATION. THEUNISSEN	GOCHI TRADING	R 766 799.84	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF YELLOW FLEET	IWE CIVIL & PROJECT MANAGEMENT	R 50 000.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
REFURBISHMENT OF WASTE WATER TREATMENT WORKS AND PUMPSTATION THEUNISSEN/MASILO	SDM CONSULTING ENGINEERS AND PROJECT MANAGERS (PTY)	R 344 779.73	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING WATER TANKERS FOR MARCH 2025 FOR VERKEERDEVLEI, BRANDFORT	IWE CIVIL & PROJECT MANAGEMENT	R 242 800.00	None adherence to SCM processes and incomplete information. BAC composition not in line with



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Description	Supplier Name	Total Amount	Reason for irregular
AND THEUNISSEN			Regulation 29.
REFURBISHMENT OF BOREHOLES IN VERKEERDEVLEI	DLN CONSULTING	R 541 142.99	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
ELECTRIFICATION OF 210 STANDS	BOKAMOCO CONSULTING ENGINEERING SERVICES	R 360 606.08	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
REFURBISHMENT OF WASTE WATER TREATMENT WORKS & PUMPSTATION	SDM CONSULTING ENGINEERS AND PROJECT MANAGERS (PTY)	R 199 823.81	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
REFURBISHMENT OF WASTE WATER TREATMENT WORKS & PUMPSTATION	SDM CONSULTING ENGINEERS AND PROJECT MANAGERS (PTY)	R 100 254.69	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
WATER CHEMICALS FOR VERKEERDEVLEI	MOTUMA TECHNOLOGIES	R 126 500.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF WATER TRUCKS	IWE CIVIL & PROJECT MANAGEMENT	R 318 780.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF WATER TRUCKS	IWE CIVIL & PROJECT	R 151 800.00	None adherence to SCM processes and incomplete



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Description	Supplier Name	Total Amount	Reason for irregular
	MANAGEMENT		information. BAC composition not in line with Regulation 29.
HIRING OF CAMJET BLASTER	IWE CIVIL & PROJECT MANAGEMENT	R 152 950.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF TLB	IWE CIVIL & PROJECT MANAGEMENT	R 57 960.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF PRINTERS	MAKOLA HOLDINGS (PTY) LTD	R 28 830.82	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
WINBURG: WATER CONSERVATION AND WATER DEMAND MANAGEMENT	RUBIQUANT CONSULTING PTY LTD	R 979 141.73	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF PRINTERS	MAKOLA HOLDINGS (PTY) LTD	R 73 452.71	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF PRINTERS	MAKOLA HOLDINGS (PTY) LTD	R 72 895.19	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF WATER TRUCKS	IWE CIVIL & PROJECT MANAGEMENT	R 121 440.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.



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Description	Supplier Name	Total Amount	Reason for irregular
WATER CHEMICALS	MOTUMA TECHNOLOGIES	R 1 000 000.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
WINBURG/MAKELEKETLA: CONSTRUCTION OF OUTFALL SEWER AND RECTIFICATION OF EXISTING NETWORK	DIPABALA SOLUTIONS	R 277 676.32	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF WATER TRUCKS	NJUNGA CONSTRUCTION	R 121 440.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF WATER TRUCKS	IWE CIVIL & PROJECT MANAGEMENT	R 121 440.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
HIRING OF WATER TRUCKS	IWE CIVIL & PROJECT MANAGEMENT	R 121 440.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
REFURBISHMENT OF WASTE WATER TREATMENT WORKS & PUMPSTATION	SDM CONSULTING ENGINEERS AND PROJECT MANAGERS (PTY)	R 100 254.69	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
LEGAL FEES A DIN	DE SWARDT MYAMBO HLAHLA ATTORNEYS	R 164 243.31	RFP process not followed
TRANSPORT TO THE FUNERAL IN EASTERN CAPE	MALIEAKAE PADA TRANSPORT	R 12 000.00	RFP process not followed

Description	Supplier Name	Total Amount	Reason for irregular
TRANSPORT TO BRANDFORT FOR OR TAMBO GAMES	MOSENOHI'S TRANSPORT	R 11 400.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
CONSTRUCTION OF AN OUTFALL SEWER AND RECTIFICATION OF EXISTING SEWER NETWORK AND CONSTRUCTION OF A NEW PUMP STATION IN WINBURG/MAKELEKETLA	STIMER CONSTRUCTION JV MATSAPA	R 1 024 534.46	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
WINBURG WATER CONSERVATION AND DEMAND MANAGEMENT	RUBIQUANT QUANTITY SURVEYORS	R 919 011.31	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
REFURBISHMENT OF WASTE WATER TREATMENT WORKS & PUMPSTATION:	THAHAMISO GENERAL TRADING	R 127 769.79	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
ACCOMMODATION FOR MM	VILLA VIA MIDRAND	R 2 590.01	Incomplete Supporting Documents
ACCOMMODATION FOR SPEAKER	GLENDA'S GUEST HOUSE	R 8 280.00	Incomplete Supporting Documents

3.5 Procurement through SCM Regulation 32

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

3.6 E-Tender Publication Portal In terms of Circular 83

The number of tenders published.	The number of tenders cancelled.	The number of tenders re-advertised.	The number of tenders awarded.	Comments
11	5	2	0	Tenders cancelled were because of inconsistencies identified in the tender documents.

3.7 Contract Performance Management

The municipality keeps and maintains the contract register monthly.

3.8 FCMCM

The municipality reviews the FCMCM SCM module on a quarterly basis.

3.9 Audit findings

Audit Action Plan for the in relation to the 2024/2025 will be developed once the audit has been finalized by AG-SA.

4. Recommendation**Compiled by:**

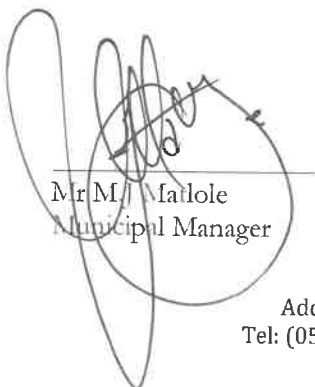
Mr J.S Matobako
Manager: SCM

11/11/2025
Date

Reviewed by:

Mr M.A Makgae
Chief Financial Officer

11/11/2025
Date

Approved by:

Mr M. Matlole
Municipal Manager

11/11/2025
Date



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MASILONYANA
LOCAL MUNICIPALITY

Address: Corner Le Roux and Theron Street, PO Box 8, Theunissen, 9410
Tel: (057) 733 0106, Fax: (057) 733 2217/2417, Email: info@masilonyana.co.za
Website: www.masilonyana.co.za