

**REPORT TO MAYOR ON THE IMPLEMENTATION OF SCM POLICY IN TERMS OF
REGULATION 6(3) OF THE SCM REGULATION OF 27 MARCH 2025.**

**SUBJECT: REPORT OF THE IMPLEMENTATION OF SUPPLY CHAIN
MANAGEMENT POLICY: (FOR THE SECOND QUARTER ENDING 31
DECEMBER 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 28 May 2025, to perform oversight role for the 2024/25 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 Vacant Post	Comments
4	4	4	Accountant Supply Chain position to be filled during the fourth quarter	None

3.3 Competitive bidding process

Tenders awarded:

Description	Value of tenders awarded	Supplier Name	Date awarded	Comments
-	-	-	-	No tenders were awarded during this quarter.

3.4 Deviations

Description	Supplier Name	Value for deviations	Reason for deviations
Consulting services for development of SDBIP, Performance agreements and review of APR.	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 same.
Hiring of Camjet	Manthateng Enterprise	R 287 000,00	Emergency need for camjet in all Masisilonyana towns
Rehabilitation of Mr. Selema	Anchor Recovery Ranch	R 8 500,00	Emergency taking of Mr L. Selema to rehabilitation facilities
REGISTRATION OF WATER DESALINATION, RO / MEMBRANE AND WASTEWATER REFUSE CONFERENCE 2025	ZAMBEZI PRIDE PTY LTD	R 21 980,00	Zambezi Pride Pty Ltd is the sole provider for the provision of services for the conference.
WATER SAMPLING	DRINKING WATER QUALITY LABS T/A TEST IT LABS	R 95 068.70	The municipality is committed to provide its community with high quality water. To ensure this, a rigorous water sampling procedure is conducted across all town in Masisilonyana municipality, with samples collected and sent to a laboratory for analysis to meet the Blue Drop and Green Drop compliance standards. As the municipality lacks an accredited in-house laboratory, we opted with Test it Lab, relying on their expertise for internal lab analysis over the past few years.
Supply of water chemicals for Brandfort	Indlela Consultants	R 710 010.00	The municipality does not have an active contract in place for the procurement of chemicals required for essential municipal operations such as water treatment and sanitation. Procuring these chemicals through the regular process will result in delays that could disrupt service delivery. This deviation will facilitate

Description	Supplier Name	Value for deviations	Reason for deviations
			an expedited supply, cost savings, and continuity in municipal service delivery.
Supply of water chemicals for Theunissen	Indlela Consultants	R 611 110.00	The municipality does not have an active contract in place for the procurement of chemicals required for essential municipal operations such as water treatment and sanitation. Procuring these chemicals through the regular process will result in delays that could disrupt service delivery. This deviation will facilitate an expedited supply, cost savings, and continuity in municipal service delivery.
Supply of water chemicals for Verkeerdvlei WTW	Indlela Consultants	R 65 320.00	The municipality does not have an active contract in place for the procurement of chemicals required for essential municipal operations such as water treatment and sanitation. Procuring these chemicals through the regular process will result in delays that could disrupt service delivery. This deviation will facilitate an expedited supply, cost savings, and continuity in municipal service delivery.
Supply of water chemicals for Winburg	Indlela Consultants	R 711 229.00	The municipality does not have an active contract in place for the procurement of chemicals required for essential municipal operations such as water treatment and sanitation. Procuring these chemicals through the regular process will result in delays that could disrupt service delivery. This deviation will facilitate an expedited supply, cost savings, and continuity in municipal service delivery.

Description	Supplier Name	Value for deviations	Reason for deviations
Supply of water chemicals for Winburg WWTW	Indlela Consultants	R 23 575.00	The municipality does not have an active contract in place for the procurement of chemicals required for essential municipal operations such as water treatment and sanitation. Procuring these chemicals through the regular process will result in delays that could disrupt service delivery. This deviation will facilitate an expedited supply, cost savings, and continuity in municipal service delivery.
Registration for MUNICIPALITY EXECUTIVE EDUCATION PROGRAM for the Municipal Manager	PATHWAYZ DEVELOPMENT PTY LTD	R 25 000,00	Sole supplier

3.5 Irregular Expenditure

Description	Supplier Name	Total Amount	Reason for irregular
REFURBISHMENT OF WASTEWATER TREATMENT WORKS & PUMPSTATION: THEUNISSEN/MASILO	EURAY PROJECTS	R 47 880.00	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER FOR THE REFURBISHMENT OF MASILO WWTW AND THEUNISSEN SEWER PUMP STATION (CONTRACTOR)	M AND D APRIL PROJECTS PTY LTD	R 88 819.79	None adherence to SCM processes. BAC composition not in line with Regulation 29.

Description	Supplier Name	Total Amount	Reason for irregular
APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER FOR THE REFURBISHMENT OF MASILO WWTW AND THEUNISSEN SEWER PUMP STATION (CONTRACTOR) THEUNISSEN/MASILO	BEULAH MVN TRADING AND CONSTRUCTION	R 31 710.64	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
LEGAL FEES	DMH ATTORNEYS	R 1 093 925.32	None adherence to SCM processes and incomplete information. BAC composition not in line with Regulation 29.
SAND FILTERS NO.1-NO.4 REPLACE FILER SAND FOR FILTERS 1-4 INCLUSIVE OF TRANSPORTATION	C PAC PUMPS & VALVES	R 999 936.50	The assessment of the sand filters at Theunissen Wastewater Treatment Works has revealed that the existing filtration units are in poor condition and operating below their design efficiency. This has resulted in inconsistent water quality, increased maintenance requirements, and reduced production capacity.
LEGAL FEES A DIN	DE SWARTD MYAMBO HLAHLA ATTORNEYS	R 164 243.31	Incomplete Supporting documents as required by SCM policy and regulations
TRANSPORT TO THE FUNERAL IN EASTERN CAPE	MALIEAKAE PADA TRANSPORT	R 12 000.00	Incomplete Supporting documents as required by SCM policy and regulations
ACCOMMODATION FOR MM	VILLA VIA MIDRAND	R 2 590.01	Incomplete Supporting documents as required by SCM policy and regulations
ACCOMMODATION FOR SPEAKER	GLENDA'S GUEST HOUSE	R 8 280.00	Incomplete Supporting documents as required by SCM policy and regulations

Description	Supplier Name	Total Amount	Reason for irregular
TRANSPORT TO BRANDFORT FOR OR TAMBO GAMES	MOSENOHI'S TRANSPORT	R 11 400.00	Incomplete Supporting documents as required by SCM policy and regulations
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	Incomplete Supporting documents as required by SCM policy and regulations
WINBURG WATER CONSERVATION AND DEMAND MANAGEMENT	RUBIQUANT QUANTITY SURVEYORS	R 919 011.31	Incomplete Supporting documents as required by SCM policy and regulations
REFURBISHMENT OF WASTEWATER TREATMENT WORKS & PUMPSTATION:	THAHAMISO GENERAL TRADING	R 127 769.79	Incomplete Supporting documents as required by SCM policy and regulations
WORK CARRIED OUT AT THE CLEAN WATER TREATMENT PLANT IN THEUNISSEN	C-PAC PUMPS & VALVE	R 993 727.65	This is as result of deteriorated condition due to years of continuous operation and mechanical wear out without proper maintenance of the municipality's water treatment plants.
SUPPLY AND INSTALLATION OF A MOTOR AT BRANDFORT RAW WATER PUMP STATION A	C-PAC PUMPS & VALVE	R 994 313.00	This is because of non-availability of the municipality's assets and infrastructure maintenance plan.
SUPPLY AND INSTALLATION OF A NEW HORIZONTAL SPLIT CASE AT	C-PAC PUMPS & VALVE	R 994 709.75	This is because the matter could not be attended to on time to avoid unnecessary future repairs to the pumpstation.

Description	Supplier Name	Total Amount	Reason for irregular
BRANDFORT RAW WATER PUMP STATION A			
WORK CARRIED OUT AT THE CLEAN WATER TREATMENT PLANT IN THEUNISSEN	C-PAC PUMPS & VALVE	R 999 996.30	This is as result of deteriorated condition due to years of continuous operation and mechanical wear out without proper maintenance of the municipality's water treatment plants.
PROPERTY VALUATION	MANNA HOLDINGS (PTY) LTD	R150 000.00	Incomplete Supporting documents as required by SCM policy and regulations
TRANSPORT TO BULTFONTEIN DISTRICT GAMES FROM THEUNISSEN	MALIEAKAE PADA TRANSPORT	R 4 000.00	Incomplete Supporting documents as required by SCM policy and regulations
TRANSPORT FROM THEUNISSEN, WINBURG TO BULTFONTEIN AND RETURN	MOSENOHI'S TRANSPORT	R 15 800.00	Incomplete Supporting documents as required by SCM policy and regulations

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

3.7 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	0	2	1	N/A

3.8 Contract Performance Management

The municipality keeps and maintains the contract register monthly.

3.9 FMCMM

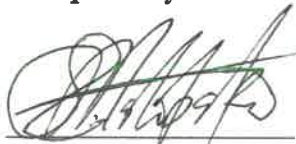
The municipality reviews the FMCMM SCM module on a quarterly basis.

3.10 Audit findings

Audit Action Plan for the 2024/2025 audit will be implemented and monitored once it has been developed.

4 Recommendation

Compiled by:



Mr J.S Matobako
Manager: SCM

15/01/2026
Date

Reviewed by:



Mr M.A Makoae
Chief Financial Officer

16/01/2026
Date

Approved by:



Mr M.J Matlole
Municipal Manager

06/02/2026
Date